

Concrete Solutions for a Sustainable Future

CEMEX Latam Holdings 2015 Sustainable Development Report





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About CEMEX Latam Holdings



Throughout the year, we implemented an internal restructuring in order to be closer to our customers.



We operate in 7 countries: Guatemala, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, and Brazil.



84% employee engagement in the most recent survey.



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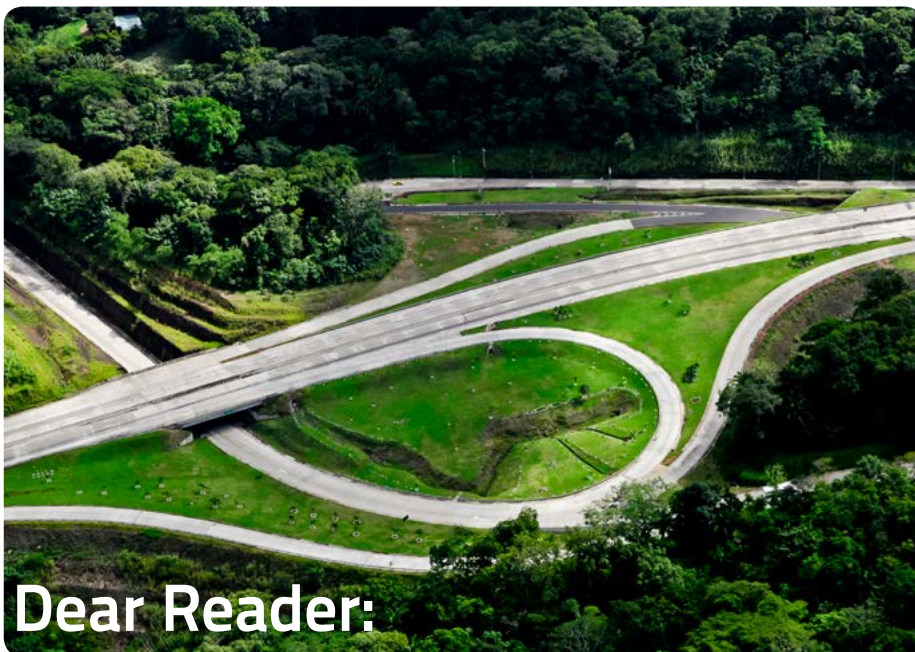
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Dear Reader:

Customer centricity is one of our strategic priorities, and at CEMEX Latam Holdings, we continue to dedicate time and effort toward having a company that is increasingly more focused and better prepared to address market demands.

In 2015, we developed new knowledge, capabilities, and processes that allow us to better understand the changing preferences and needs of the various market segments we serve in each of the countries in which we participate. Throughout the year, we implemented an internal restructuring in order to bring our sustainable products and technologies closer to our customers in the public and private sectors. In this way, we continue to take actions that set us apart and allow us to be pioneers in

the construction industry, with a more precise focus and with more complete and adequate offers for our customers.

We continue to have the support of the CEMEX technology center to introduce new ready-mix concrete and cement products in our markets. In total, 36% of total concrete sales were products with outstanding sustainable attributes that offer improved building solutions. Furthermore, in our search for maximizing the potential of our products, we are positioned in the Colombian market as the only company offering a comprehensive building solution that combines cement, aggregates, and admixtures. When our customers in Colombia acquire the comprehensive MIX3R solution, we offer them additional

services that improve their project's profitability and increase their own recognition in the market by benefiting from our quality standards.

Construrama® continues to provide opportunities for our hardware distributors to upgrade their business and get closer to their customers by offering a friendlier, easier, and more innovative buying experience. Besides being positioned as the hardware store chain with the most points of sale in Colombia, its recognition in Nicaragua, Costa Rica, and El Salvador continues to grow.

Through our portfolio of building solutions for infrastructure and our Industrialized Model for Housing Construction, we have participated over the past three years in the installation of an equivalent of more than 2 million m² of concrete pavement and in the construction of more than 8,700 homes. This contributes to meeting our commitment to the development of the region and participating in the construction of the infrastructure and affordable housing needed to improve people's quality of life.

We are firmly committed to contributing our know-how and expertise in the construction industry to reach the Sustainable Development Goals presented by the UN in 2015. In particular, we have various initiatives in place that contribute to ensuring access for all people to adequate, safe, and affordable housing and basic services, one of the main objectives of Goal 11.

The Patrimonio Hoy program, our flagship social program, has been strengthened from being part of Construrama®, and it continues to improve quality of life in communities. In total, more than 112,000 people over the past decade have found in Patrimonio Hoy a comprehensive and efficient solution that helps them gain access to housing. In 2015, we financed and delivered building materials with a value of close to 1 million dollars, and our goal is to double that number by 2016.

On the other hand, Bloqueras Solidarias and the Assisted Self-Construction Integrated Program continue helping families living in extreme poverty make the dream of owning their own home a reality. More than 6,000 people have built or improved their homes since these programs began in 2011, even in communities beyond locations neighboring our operations. In 2016, with the beginning of operations of our first Bloquera Solidaria in Panama, we will be able to widen these results.

Across the region, we implemented initiatives that promote community development. Our efforts are guided by clear criteria designed to contribute to eradicating poverty: We maintain an open and direct communication with our neighbors in order to understand their needs. We look for allies to multiply results. We apply robust principles to make social investments in an effective manner. We understand that the active participation of the community in implementing the initiatives is indispensable. And our



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volunteer employees get involved with the projects.

As a result, during the past year we participated in more than 100 basic community infrastructure projects: We increased by 50% the number of local suppliers that serve our operations in Colombia. We launched a new Rural Business Accelerator in Costa Rica, and 790 students graduated from the Program to Develop Abilities for the Workplace. We also started operating our first community center in Panama, which will provide training programs to more than 12,000 people living in the communities near Chilibre. With the addition of this center, more children will be able to participate in the Sports Schools that we operate across the region, where currently more than 3,000 children have the opportunity to develop values such as tolerance, solidarity, teamwork, and discipline.

We are committed to performing our activities in a responsible way and to minimizing their environmental impacts. To date, 100% of our cement plants have a functioning CEMEX Environmental Management System and 65% have been ISO 14001 certified. As part of our commitment to performing our activities in a sustainable manner—aside from making sure that natural resources are used optimally—we use our operations to contribute to addressing the various challenges of modern society.

For example, our facilities at La Fiscala and Las Delicias, in Colombia, are

a destination for Construction and Demolition Waste (CDW), allowing our customers to maximize the use of materials, comply with environmental norms, and apply for LEED points for their projects. Furthermore, due to their high-efficiency and temperatures of up to 1,450°C, cement kilns are the solution for the efficient disposal of much of the waste and waste products generated by modern society that would otherwise, during decomposition in landfills, generate methane emissions and CO₂ without recovering any energy. In 2015, our substitution rate of fossil fuels for alternative fuels was 19.2%.

We want to emphasize our commitment to guaranteeing health and safety. Although we have not yet reached our goal of zero incidents, we have mobilized our employees, contractors, and third parties to make them aware of the importance of caring for their own well-being and that of their families. We have adopted different approaches to strengthen safety in our operations: reinforcing leadership and a culture of safety throughout the chain of command, transitioning from a regional strategy to various strategies that address local challenges, and promoting the design of specific solutions for the different business units and operation sites.

As a result, as of 2015 we registered a 17% drop in the employee lost time frequency rate per million of hours worked compared to 2014, and an 80% reduction since 2012, when we began to work hard on strengthening our safety measures.



Jaime Muguero
Chairman of the Board of Directors

At CEMEX Latam Holdings, we are known for having employees who are passionate about serving our customers and creating new solutions that generate value for the markets and communities in which we participate. In our most recent employee survey, we identified considerable increases in the level of commitment and work performance, both of which are key to keeping our position as the great provider of building solutions.

Because we know that teamwork is critical to the success of our initiatives, in the name of the Board of Directors and the management team, we wish to thank all the organizations that work with us to reach our results. We invite you to read our third sustainable development report,



Carlos Jacks
Chief Executive Officer

learn more about our accomplishments and challenges, and share with us your valuable feedback.

Sincerely,

Jaime Muguero
Chairman of the Board of Directors

Carlos Jacks
Chief Executive Officer



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Business Strategy

With a solid commercial offering that combines innovative construction systems and specialty concrete products, we are encouraging the development of the region where we operate, fostering well-being, and delivering value to our communities.

The strategy to fulfill our mission consists of creating value by building and managing a portfolio made up of cement, ready-mix concrete, aggregates, and related businesses.

Mission. Consists in creating sustained value by providing leading products and solutions in the industry to fulfill the building needs of our customers.

We accomplish this by:



Valuing our people as our main competitive advantage.



Helping our customers succeed.



Pursuing markets that are growing and offer long-term profitability.

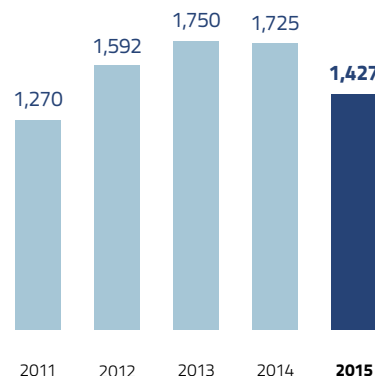


Ensuring sustainability is fully embedded in our business.

Support from a global leader

CEMEX, S.A.B. de C.V. (CEMEX) is a global company that offers comprehensive building solutions for the construction industry in more than 50 countries in the Americas, Europe, Africa, the Middle East, and Asia. With more than 43,000 employees worldwide, CEMEX produces, distributes, and markets high-quality building materials, including cement, ready-mix concrete, mortar, and aggregates, and offers comprehensive building solutions in housing, infrastructure, and sustainable growth. Founded in Mexico in 1906, CEMEX reached net sales of US\$14.1 billion in 2015.

Net sales
millions of US dollars



Sales by country
percentage

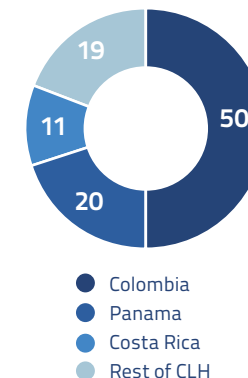




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Initiatives to better address market demands

We continue to deploy a strategy that better positions us to address changing market needs, improve the service we offer our customers, and address the increased level of activity in the construction industry.

Contributing to progress and competitiveness in the region has become one of the fundamental premises of the relationship between CEMEX Latam Holdings and its areas of influence. Because of the location of our operations, CEMEX Latam Holdings is present in the most dynamic markets in the region, and because of its production capacity, the leadership of its employees, expert management, and a technologically advanced operation, it is the leader in building solutions for the construction industry.

Significant initiatives implemented in recent years

Products

- An increased portfolio of concretes that address special demands in construction.
- In the Colombian market we offer MIX3R, a comprehensive solution that combines: cement, aggregates, and admixtures.
- We have a new admixtures plant for the production of special concretes.

Operations

In Colombia:

- We launched CEMEX Energy to increase our ability to produce our own energy.
- We are currently present in 31 cities and have coverage in 70.
- We built new cement plants in the municipalities of Clemencia and Antioquia.
- We tripled the number of concrete plants and doubled our fleet of mixer trucks.
- We created the Infrastructure and Housing and the Aggregates divisions.
- We transformed Construrama® into the chain of hardware stores with the most points of sale in the country.

In Nicaragua:

- We built a new cement grinding plant.

In Costa Rica:

- We are building a new cement grinding plant.

CEMEX Latam Holdings Operations





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Operations and sustainability issues across the production chain

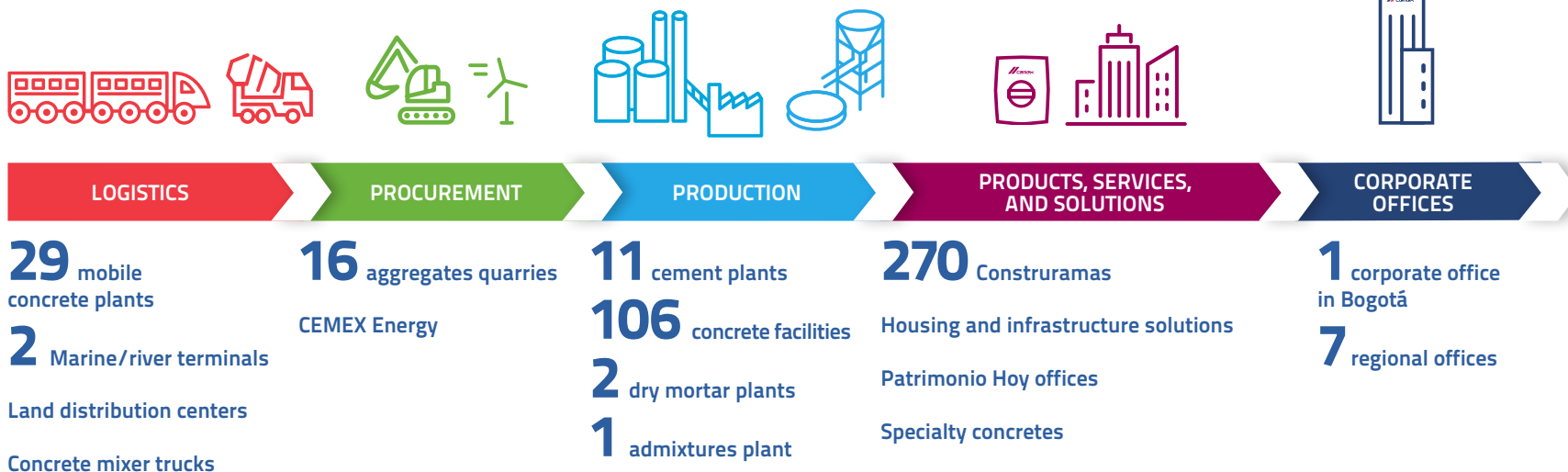
CEMEX Latam Holdings is a company that manages its production chain in a comprehensive manner, from the supply of raw materials in our quarries to the use of our products in various building solutions. The process passes through the production of cement, concrete, and

mortar, as well as through logistics and transportation processes across the chain.

Since it is vertically integrated, managing material aspects throughout the value chain is primarily an internal determination. When convenient,

we seek to proactively extend to our suppliers the best practices we have developed in terms of sustainability.

[How we make cement](#)



Our operations

Material aspects in each stage of the process

Material aspects throughout the production process



Community participation and development



Health and safety



Human rights



Economic value creation



Labor relations



Climate change and CO₂ emissions



Sustainable supply chain

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



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Materiality analysis

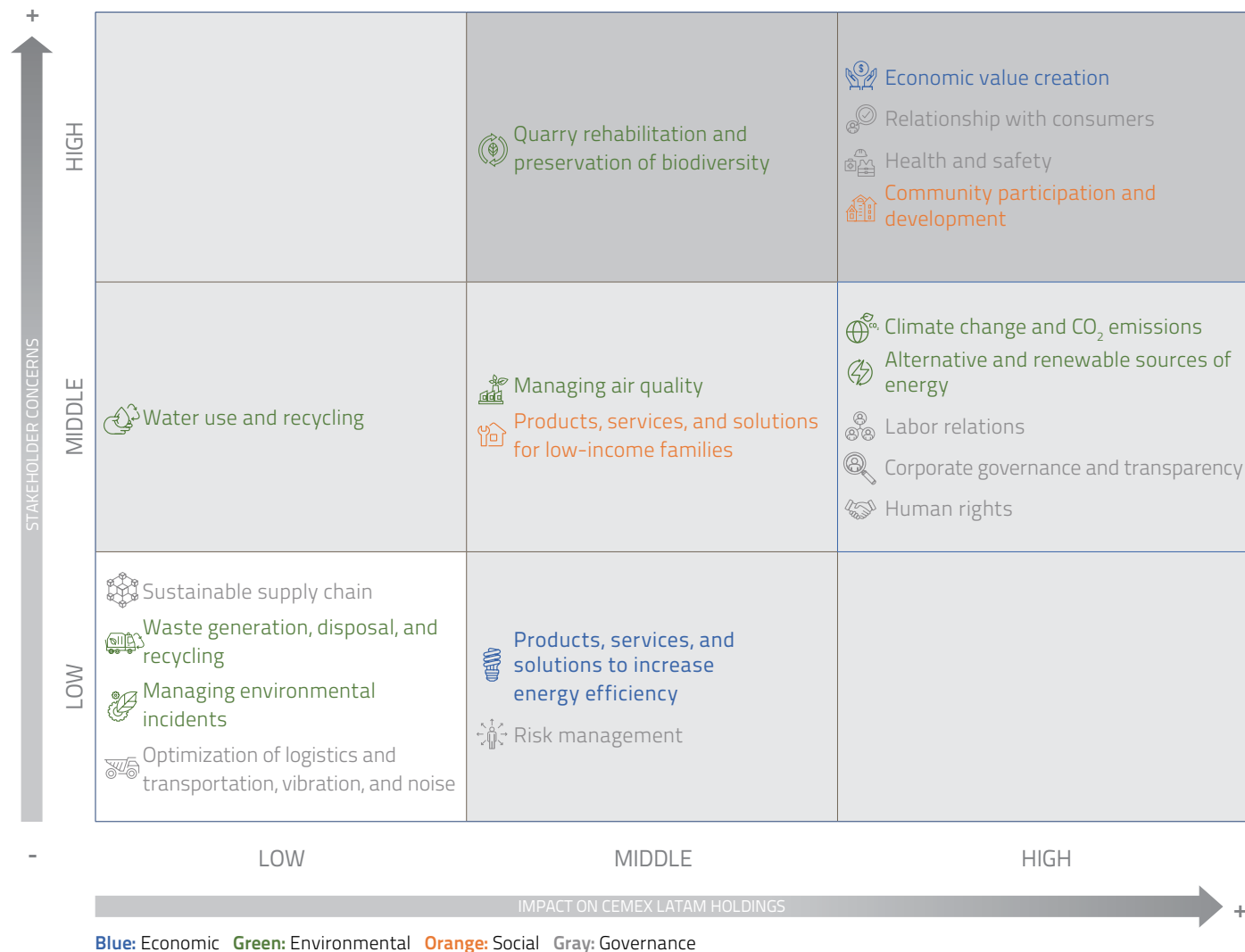
We referenced the results of the materiality analysis that our partner CEMEX carried out globally in 2013, and we adopted it to respond optimally to the needs of our region.

CEMEX Latam Holdings was part of the global CEMEX materiality analysis, with the active participation of our executives and local stakeholder representatives. Because we participated, we are able to take the results of the global CEMEX materiality analysis as a point of reference and adapt it to our local experience. This process contributes to directing our actions specifically to the issues that our own stakeholders and executives in the region viewed as most relevant.

The following materiality matrix summarizes the results of the union of the CEMEX global vision with the operation's needs in our region.

The vertical axis represents the relevance our regional stakeholders allocate to the concerns that were analyzed, and the horizontal axis shows the degree of importance and impact they have for the organization. On the top right-hand side of the table are the issues that are a priority for both parties and on which we have centered our communication in this report.

CEMEX Latam Holdings materiality matrix



[CEMEX materiality analysis](#)



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Sustainability at CEMEX Latam Holdings

The CEMEX Sustainability Model serves as a guide in the process of including responsible practices in the operations and decision-making processes globally. Because we are aware of the important role we can play to build a more sustainable future in the region, including the principles of the CEMEX Sustainability Model in our business strategy encourages us to provide solutions that improve quality of life and contribute to addressing the challenges being faced by society.

The model establishes 13 priorities, which have been selected based on a structured internal and external consultation process, during which we took into consideration the importance of the main sustainability aspects for our stakeholders and the operations.

Global societal
challenges

Our sustainability
objectives

Our sustainability
priorities

CEMEX SUSTAINABILITY MODEL



[Sustainability at CEMEX](#)





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We build productive and long-term relationships with our stakeholders

Listening to and incorporating the point of view of our stakeholders enables us to improve the way in which we respond to their needs and concerns, and build productive long-term relationships that contribute to addressing specific issues being faced by the communities neighboring our plants in terms of social investment, jobs, generating indirect income, public engagement, infrastructure, taxes, land use, environmental stewardship, culture, quality of life, and health.

We are convinced that the success of our company is intimately related to the success of our stakeholders. By working as a team, we are able to empower communities and find new ways of making more efficient use of available resources, contributing to sustainable development in our region while at the same time turning CEMEX Latam Holdings into a more competitive and profitable company.



Commitment to our stakeholders

People

Being the employer of choice and seeking to provide the most attractive opportunities for our employees' personal and professional development.

Neighbors

Being a good neighbor and participating openly and directly with our communities in order to build trust and address their concerns.

Commercial partners

Working to be the business partner of choice and seeking to help our customers and suppliers build their businesses.

Region

Working to contribute toward addressing some of the most complex challenges in our region, including access to housing and infrastructure, preserving biodiversity and natural resources, and community development.

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2015 Results

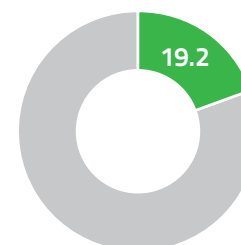
Economic	2013	2014	2015
Sales of ready-mix concrete with outstanding sustainable attributes (% of the total)	52	40	36
Area of installed concrete pavement (thousands of m ²)	415	855	739
Net sales (millions of dollars)	1,750	1,725	1,427
Environmental			
Alternative-fuels rate (%)	23.1	22.4	19.2
Gross specific emissions of CO ₂ (kg CO ₂ /ton of cementitious product)	610	581	609
Specific energy consumption, cement operations (kWh/ton)	100.5	96	98
Specific emissions of dust (g/ton clinker)	NA	156	116
Social			
Individuals benefited from our social and inclusive businesses	108,132	112,795	124,102
Families participating within all social initiatives (#)	26,796	28,331	31,107
Governance			
Employees engaged with the company, engagement survey (%)	NA	NA	84
Lost time injury rate, employees (per million hours worked)	1.46	0.77	0.64
Fatalities (employees, contractors, and third parties)	4	2	0

+11,300 individuals
benefited from our social
and inclusive businesses
in 2015

76.3% is the General
Customer Satisfaction
Index in Colombia

-17% is the lost time
injury rate

Alternative-fuels rate
% of the total fuels used



Sales of concrete with outstanding
sustainable attributes
% of total

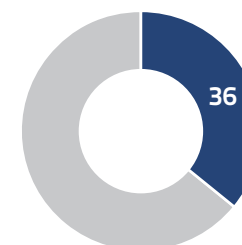




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How do we manage our sustainability efforts?

Throughout the organization, in order to achieve a tangible sustainability impact, we require the commitment of our management and the sum of the efforts of all our employees. At CEMEX Latam Holdings, our commitment to sustainability begins globally, at the Board of Directors of our partner CEMEX, and we make sure it reaches all operations and business lines.

The Sustainability Committee of the CEMEX Board of Directors is composed of three board members and one secretary. In line with corporate governance practices, the Committee reports directly to the Board. It is supported by the Corporate Sustainability team, which includes coordinators representing each of the geographic regions where CEMEX operates, and by the Global Sustainability Functional Network.

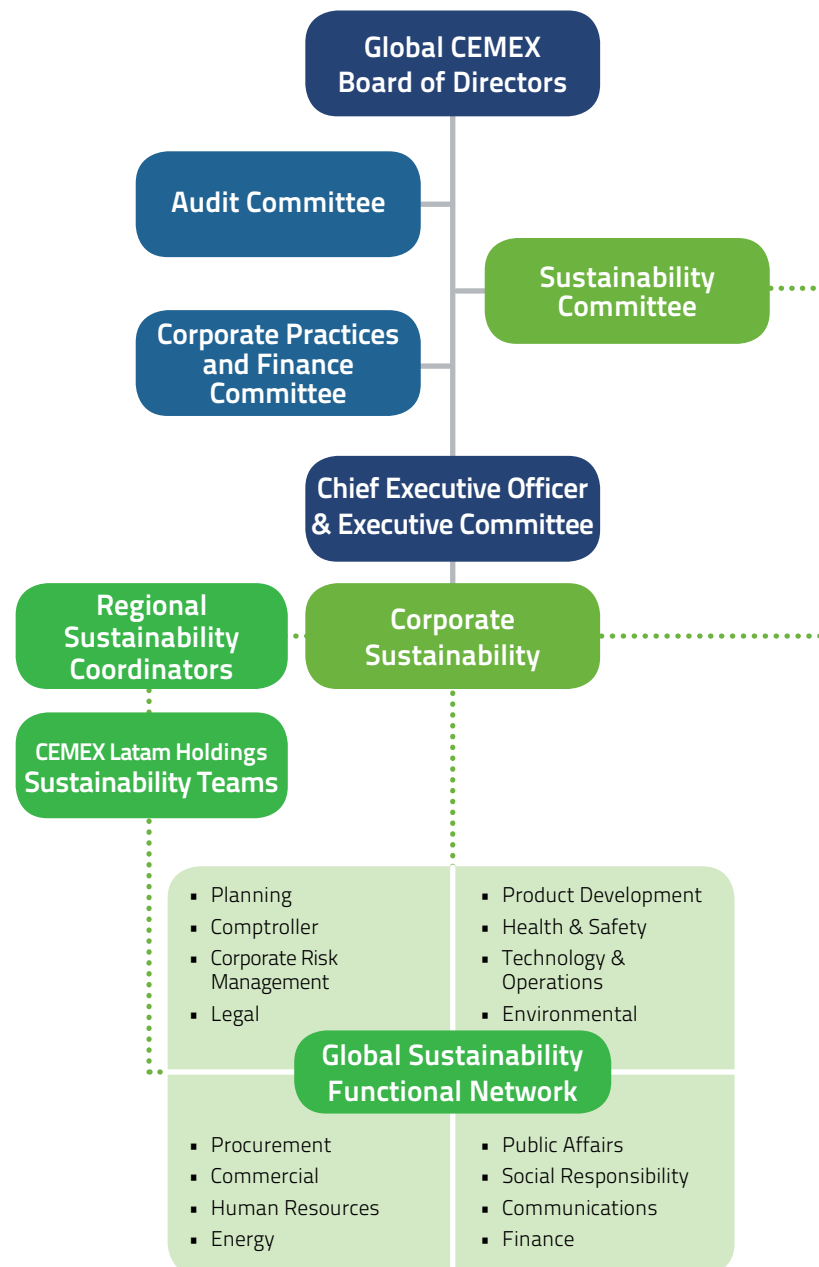


CEMEX Latam Holdings actively participates in the Network, which includes our own employees and employees of our sister operations all over the world, all with expertise in different areas and all working together to apply the main sustainability initiatives at each business unit and across the production chain.

The Sustainability Committee of the CEMEX Board of Directors holds quarterly meetings to assess and guide the company's sustainability efforts. It is responsible for:

- Embedding sustainability in the business strategy.
- Assisting the Board in its sustainability-related responsibilities.
- Endorsing the Sustainability Model.
- Assessing the effectiveness of sustainability initiatives and their progress.
- Guiding strategic sustainability decisions.
- Guiding the CEO and the committee.

Sustainability Management Structure ¹



¹ As of December 31, 2015



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Sustainability managing tools

To manage our key issues, we have experienced work teams comprised of individuals who, in addition to possessing ample knowledge of each of the material aspects, have the necessary tools to include sustainability issues in the decision-making process. These teams are in constant communication throughout our operations in order to share experiences and best practices.

We are a growing company, and beginning in the planning stages of our expansion projects, our goal is to implement best practices in order to maximize the contribution our operations make to society.

We run our business with integrity and we act responsibly, favoring the well-being of our shareholders, our employees, our customers, the environment, the communities, and society in general.

We benefit from our relationship with our partner CEMEX by capturing synergies and exchanging best practices, technologies, and know-how. We benefit as well from the robust management systems, policies, and position papers that the company has developed.

Our sustainability policies are focused on key impact areas and define the principles that guide the integration of sustainability into our operations. In addition, management systems make it easier to assess potential risks, implement management tools consistently, and establish clear performance expectations throughout our operations. Position papers define the point of view we as a company adopt with respect to specific issues. ∞



Values and Codes

- Our Values
- [Code of Ethics and Business Conduct](#)
- [Code of Conduct when Doing Business with Us](#)

Management Systems

- CEMEX Environmental Management System
- Health and Safety Management System

Policies

- [Human Rights Policy](#)
- [Compliance Policy](#)
- [Environmental Policy](#)
- [Biodiversity Policy](#)
- [Corporate Water Policy](#)
- [Health and Safety Policy](#)
- Management Elements of our Social Investment Strategy

Position Papers

- [Community Relations](#)
- [Aggregates Recycling](#)
- [Green Construction](#)
- [Infrastructure](#)
- [Climate Change](#)
- [Alternative Fuels](#)
- [Environmental and Biodiversity Management](#)
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Innovative, efficient, and resilient building solutions



36% of ready-mix concrete sales were concretes with outstanding sustainable attributes.



+2 million m² of concrete paving installed over the past three years.



+8,700 is the number of homes in which we participated over the past three years.



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Portfolio of products, services, and solutions

At CEMEX Latam Holdings, we offer innovative products that address the changing needs of our customers in the construction industry. We complement our offering by providing services that add value and make processes at construction companies and government entities more productive.

In sum, by taking advantage of the years of experience, advanced capabilities, and our access to a global knowledge base through our partner CEMEX, we offer state-of-the-art solutions that contribute to addressing the challenges of urbanization in the region.

In 2015, we implemented an internal restructuring in order to bring our sustainable products and technologies closer to our customers in both the public and the private sector.

Products

Cement

Concrete

Specialty cement
and concretes

Admixtures

Dry mortar

Aggregates

Services

Technical assistance
and training

Concrete at the
worksite

Comprehensive construction
waste management

Solutions

Infrastructure

Pavement

Precast
structures

Industrialized
Model for Housing
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Sustainable
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Products

Cement. Is the most widely used construction material worldwide. Cement is obtained from a calcination process of a mixture of limestone, clay, and iron ore. CEMEX Latam Holdings is one of the most important cement producers in the region.

Concrete. Made from cement, aggregates, water, and admixtures, ready-mix concrete is a durable building material that can be cast into many different shapes. We have the support of the legacy behind our partner CEMEX, the world leader in production of ready-mix concrete.

Specialty cement and concrete. Cement is the most attractive building material in terms of resistance. By developing mixtures and chemical solutions, CEMEX Latam Holdings designs specialty concretes that satisfy the increasingly more demanding performance requirements of the construction industry.

Admixtures. Are chemical substances that can be added to the concrete mixture to modify its properties, including durability, performance, hardening, and sustainability features, among other attributes, based on the requirements of specific tasks.

Dry mortar. Is a mixture of cement, sand, and admixtures, technically designed and ready to use for building floors and masonry. We offer conventional, plaster, floors, structural, fill grout, shotcrete, self-compacting, and synthetic fibers.

Aggregates. They are geological materials that are the primary ingredients in ready-mix concrete and mortar. We offer sand, gravels, granular base, granular sub-base, and stone aggregates, among other things.



MIX3R: 3 products, 3 benefits

CEMEX Latam Holdings is the only company in the Colombian market to offer comprehensive building solutions that combine three products—cement, aggregates, and admixtures.

When our customers in Colombia take our comprehensive MIX3R offer, they receive three main benefits:

- 1. Profitability:** Because of the admixtures specifically designed based on the technical characteristics of our cements and aggregates, we offer greater profitability in cement use while maintaining the quality of the product.
- 2. Recognition:** We transfer best practices in the industry by offering technical and operational advice, as well as training, so that our customers are recognized in the market as promoters of development and excellence.
- 3. Support:** We offer our customers personalized attention channels and real-time information tools that allow us to maintain a permanent flow of information and to overlook the continuity of their operation.

With MIX3R, our customers get access to additional services that will make their companies more productive, their processes recognized for using the CEMEX Latam Holdings quality standards, and their industry more professional.

36% of ready-mix concrete sales were concretes with outstanding sustainable attributes.

Materials by Design

Materials by Design™ is the CEMEX research philosophy that permanently addresses the challenge of designing new technologies. The CEMEX Research Group AG and the Cement and Ready-Mix Technology Center in Mexico include specialists in various disciplines who are focused on introducing innovative advantages in products. As a result, CEMEX is developing technologies for a sustainable future that also benefit our customers in the region by ensuring that the materials, production processes, and performance of our products promote the efficient use of resources.

CEMEX was the first company in the construction sector to offer its customers a tool for measuring their own carbon footprint. This tool, which we've offered our customers in the region since 2013, allows us to better position ourselves to share valuable information for estimating CO₂ in our customers' construction projects, in case they need it.





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Portfolio of special cement and concretes

Supported by our partnership with CEMEX, we continually introduce new ready-mix concrete and cement products in our markets in order to satisfy our customers' need to have the best building solutions.

Environmental stewardship

Preventing flooding

Pervia® is a concrete that addresses the construction industry's need to have a permeable product that can be used in large areas that have surfacing by making it easier for water to infiltrate into the ground.

Energy efficiency

Insularis® enhances thermal insulation in floors and walls, reducing the energy spent in buildings by up to 20%.

More productivity

Savings in time and costs

Evolution Eco® is the preferred formula for building decks, floors, and walls since it is a self-compacting and self-balancing concrete that combines great strength and superior finishings with the ability to achieve considerable improvements in project productivity.

Durability in structures

Hidratium® has self-curing properties that eliminate concrete cracking due to shrinkage. It also saves resources by reducing construction times as well as labor and maintenance costs.

Building floors

Supaflo C® is a self-leveling screed that is easy to pump, making it more convenient to use for building floors. It can be used in areas that are subject to humid conditions.

Special building conditions

Rapid strength

Promptis® is able to reach early compressive strength in as little as four hours, compared to 18 hours for conventional concrete. It was also designed to retain workability for more than 90 minutes, thus allowing the material to be easily handled without the risk of sudden hardening.

Easy and fast heat insulation

Poroflow® is a concrete foam used in thermal isolating floors; it can be pumped up to 85 m without losing its properties. Because it is a breathable material, it doesn't support mold formation caused by many normal activities in a home.

Other special solutions

Super Resistant, Structural Use, and Marine Environment Use are specialty cements in our portfolio that, in conjunction with Porous, Anti-Landslide, and Roller Compacted concretes, help build better structures.

Pervia
Woda dla natury

Insularis
Comfort by design

evolution eco

Hidratium
Self curing by design

Promptis
Fast by design



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Value-added services

Technical assistance and training

Because we firmly believe in our customers' projects, we accompany them through the process of identifying the building method that best fulfills their needs. We help them understand the properties of our products and find those that better fulfill their project's requirements. We offer guided tours of our plants in order to share the attributes of our products, and we have qualified personnel at the disposal of

our customers for projects that require special technical aspects. Through our network of laboratories and the support of CEMEX Research Group AG in Switzerland, we carry out technical calorimetry, petrography, durability and quality-control tests. We also do special concrete, mortar, and precast mixtures. Finally, we offer postgraduate studies and workshops to foster modernization and share information on new construction processes.



CEMEX Research Group AG | Switzerland

Concrete at the worksite

Through our CEMEX en su Obra (CEMEX at Your Construction Site) program, we rapidly and effectively install a mobile concrete plant directly at the customer's construction site, helping us satisfy that customer's supply needs by offering just-in-time delivery. It also allows us to carry out quality tests and offer technical assistance at the operation site. CEMEX en su Obra is the perfect solution for our customers' high-consumption projects. Mobile plants generate savings by eliminating the use of mixers and reducing waste, as well as by offering environmental benefits through reduced emissions.

Comprehensive management of construction waste

If disposed of in landfills, construction and demolition waste (CDW) can pose

environmental challenges in air, water, and soil. Through our centers for treatment and reuse, at CEMEX Latam Holdings we are helping address this issue by offering a comprehensive solution for adequate demolition, digging, on-site classification for recycling and transport, and recycling or disposal of construction waste.

Our facilities at La Fiscala and Las Delicias, for example, are a destination for CDW, where it is either incorporated into new recycled construction materials or properly disposed of according to official regulations. This solution allows our builder customers to maximize the use of their construction materials, comply with environmental norms, and also apply for LEED points for their projects.

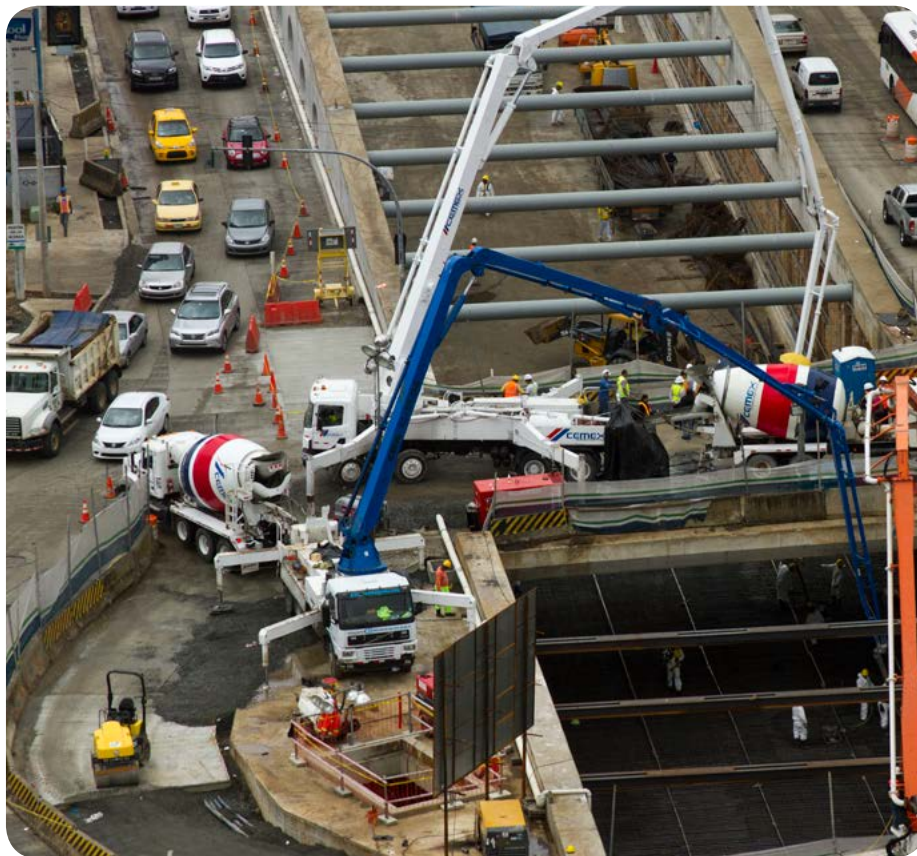




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Infrastructure solutions that generate well-being and growth




Challenges	CEMEX Latam Holdings results	CEMEX's global experience
<p>The Economic Commission for Latin America and the Caribbean (ECLAC) estimates that countries in the region will need to invest more than 6% of their annual GDP in 2012–2020, just to satisfy the growing demand for infrastructure that companies and end users put on their economies.</p>  <p>Infrastructure Panama</p> <p>The estimated investment of approximately US\$320 billion concentrates mainly on four key sectors: transportation, energy, telecommunications, and water and sanitation.</p> <p>Building affordable infrastructure, such as roads, bridges and airports, opens access to new markets and makes investments more productive, encouraging job creation.</p> <p>Investing in social infrastructure, including schools, hospitals, parks, dams, and public service facilities, contributes to improving quality of life and increasing the level of well-being.</p> <p>Economic Commission for Latin America and the Caribbean</p>	<p>Over the past three years, CEMEX Latam Holdings has participated in installing more than 2 million m² of industrial floors and concrete pavements.</p> <p>The following are among the most import projects in which we have participated:</p> <p>In Nicaragua:</p> <ul style="list-style-type: none"> ▪ building the Nejapa-Puerto Sandino highway. <p>In Costa Rica:</p> <ul style="list-style-type: none"> ▪ supplying specialty cement for the expansion of the Cañas-Liberia highway. <p>In Panama:</p> <ul style="list-style-type: none"> ▪ supplying specialty concrete for building the Coastal Beltway. <p>In Colombia:</p> <ul style="list-style-type: none"> ▪ supplying specialty concrete for building the longest bridge in the country, which crosses the Magdalena River. <p>We are currently in the process of fast-tracking highly relevant public-private partnership projects, urban roads, and urban crossings. Additionally, we will continue to contribute to developing major road infrastructure projects.</p>  <p>Magdalena River bridge Colombia</p>	<p>In 2015, CEMEX participated in the construction of almost 430 infrastructure projects across 19 countries, installing more than 7.3 million m² of concrete pavement.</p>  <p>Concrete highway Cairo, Egypt</p> <p>For example, it participated in the construction of the first concrete highway in Egypt. The 35-km road connecting Cairo with the Suez maritime port, required 130,000 m³ of ready-mix concrete, which offers superior benefits over traditional asphalt: greater durability, better visibility, resistance to severe weather, lower maintenance, and greater road safety.</p> <p>The highway is the result of multiple initiatives in which CEMEX proved the benefits of concrete pavements. CEMEX's expertise, design capabilities, and experience were behind the decision of the General Roads and Bridges Authority in Egypt to invest in this important highway.</p>



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Portfolio of infrastructure solutions

At CEMEX Latam Holdings, we have created a portfolio of solutions for building infrastructure that helps making our commitment to the development of the region a reality. Our goal is to contribute to building the infrastructure needed to improve people's quality of life.

By integrating specialty-building materials with innovative services, we are positioned to add value to several of our customers' construction divisions and processes. We also have a team of specialists who are trained to manage urbanization projects and offer legal, financial, and technical advice to help structure the initiatives.

Our experience and execution capacity allow us to add value to different types of projects, from designing and building industrial floors, sidewalks, and urban pavements, to carrying out grand scale turnkey projects and public-private partnerships, including avenues, highways, airports, mass transit projects, power generation facilities, canalizing rivers, and efficient office buildings, schools, and hospitals.

Concrete pavements, a more affordable and efficient solution than asphalt

The MIT Concrete Sustainability Hub found that because concrete highways last approximately three times as long as asphalt ones before they require important rehabilitation work, their cost is considerably less when the whole life cycle of the project is considered. The more rigid, leveled surface and the greater resistance offered by concrete highways can also make fuel consumption in vehicles more efficient by up to 3% and, consequently, reduce greenhouse gas emissions.

To convey information to decision makers and engineers about the sustainable attributes of concrete, our partner CEMEX shares with us the benefits of their collaboration with research institutions, including the MIT Concrete Sustainability Hub, which studies the advantages of using concrete for building infrastructure, including the most comprehensive Life Cycle Analysis (LCA) for concrete produced to this date.

[MIT Concrete Sustainability Hub](#)

Advantages of concrete pavement over asphalt



Superior
durability



Lower vehicle
fuel consumption



Lower cost over
full life cycle



Reduction in "heat
island" effect

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. This concrete was chosen for its outstanding sustainability attributes compared to other options, such as increasing the durability of a project, providing immunity to low or high temperature extremes, offering savings of up to 30% over traditional construction, and reducing the CO₂ footprint due to the integration of granulated blast furnace slag.



Types of works that are perfect for large scale precast products



Vehicle and
pedestrian crossings



Water
tanks



Education centers



Warehouses



Supermarkets and
department stores



Underground and
building parking lots



Shopping malls



Buildings



Stadiums



Hangars

Precast concrete structures, an ideal solution for large scale projects

As infrastructure projects continue to grow in the region, we have considerably increased the portfolio of precast structures we offer our customers in the public and private sectors. These precast structures are a cost-effective and high-quality solution for numerous large scale infrastructure projects. Some of the main advantages of precast structures are that they use high-resistance materials, consume less material overall, and have greater quality control, as a result of their mass production.



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Comprehensive solutions for building affordable housing



Challenges	CEMEX Latam Holdings results	CEMEX's global experience
<p>The Inter-American Development Bank estimates that more than half the families living in the largest cities in Latin America lack the necessary means to buy an adequate home. At the same time, the majority of families aspire to the benefits inherent in owning their own home, such as a sense of security and having some wealth.</p> <p>This situation makes it imperative to create opportunities for gaining access to affordable and quality housing that, together with public infrastructure, will lead to the adequate development of cities and improvement in the population's quality of life.</p>  <p>The magnitude of this challenge suggests that none of the parties involved—public sector, private sector, families, and non-government organizations—has the capacity to address it on its own. Reaching the goal requires the joint efforts of all sectors.</p> <p>Inter-American Development Bank</p> 	 <p>Since 2013, we have participated in the construction of more than 8,700 homes in the region.</p> <p>Additionally, in 2015 we set the basis for building more housing for lower-income families in Colombia.</p> <p>As part of this effort, we contributed to structuring 17 housing projects, for a total 10,017 units that will be built in Colombia during 2016 and 2017 in the framework of the program known as VIPA (Vivienda</p>  <p>de Interés Prioritario para Ahorradores—or Priority Interest Housing Program for Savers).</p> <p>With the VIPA projects developed by CEMEX Latam Holdings and its allies, beneficiaries have the added value of sustainability: quality materials, higher roofs to offer greater comfort, and better thermal conditions of the building's walls, among other things.</p> 	<p>In 2015, CEMEX contributed to building 2,400 affordable and efficient buildings in 13 countries, approximately 147,000 m² of living spaces.</p> <p>Additionally, we signed an agreement with Habitat for Humanity to promote the sustainable growth of cities through several initiatives:</p> <ul style="list-style-type: none"> ▪ Financial and social inclusion. ▪ Access to affordable housing. ▪ Volunteer program for creating social housing and infrastructure.  <p>In the framework of this agreement, projects that will have a positive impact on more than 3,000 people during the first year of operation are being evaluated. Once the pilot tests currently being run in Mexico are finished, we plan to replicate the effort in other countries in our region.</p> 



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Portfolio of housing solutions

We make good on our commitment to improve quality of life by articulating collaboration models and structuring projects that put an end to the paradigms that limit the affordability of owning a home for low-income families. In this process, we team up with construction companies, government entities, financial institutions, and NGOs to combine our effort, experience, and resources in developing sustainable communities.

We add value to the projects of our developer customers by using our specialty building materials, urban project structuring, management, and design, and by applying our industrialized model for housing construction.

Characteristics of the homes built by CEMEX Latam Holdings

Specialty concretes in
housing and roads

Industrialized Model for
Housing Construction

Bioclimatic
architecture

Comunidad Somos Todos
program



El Recuerdo neighborhood | Montería, Colombia

The offer is complemented with bioclimatic architecture services that take into consideration the location, region, and geography of the land in order to optimize thermal comfort while reducing energy consumption.

We also have the capacity and the team of experts needed to carry out turnkey projects and implement programs that reinforce quality of life and stimulate well-being in our communities.



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Industrialized Model for Housing Construction: our proposal for building homes in a fast and efficient manner

Using our Industrialized Model for Housing Construction, we integrate specialty construction materials and efficient construction systems to build houses in a fast, sustainable, and cost-efficient manner. The characteristics of the model allow us to replicate it and use it under different climatic, geographic, and environmental conditions.

The following are among the main advantages of the model:

- 1. Time reductions** | Using structures and molds for building floors and slabs for fast execution of grand scale housing projects.
- 2. Cost reductions** | Our model requires less resources, with the resulting savings in the construction process,

materials storage, and inventory management.

- 3. Increased resistance** | Concrete installed as a single element ensures greater resistance to adverse weather conditions and earthquakes.
- 4. Potential for growth** | A second floor can be built because reinforced concrete is used on the walls and ceilings of these homes.
- 5. Energy efficiency** | Using specialty concretes increases a home's energy efficiency, which translates into reduced electric energy costs.

A Community Is All of Us

In Colombia, in order to contribute to harmonious communal living in the communities recently established in the country as part of the free-homes program, we participate in the initiative



Receiving real estate titles | Los Patios, Colombia

known as Comunidad Somos Todos (A Community Is All of Us), which is led by the Colombian Chamber of Construction (Cámara Colombiana de la Construcción) and the National Agency for Overcoming Extreme Poverty (Agencia Nacional para la Superación de la Pobreza Extrema).

To participate, we have hired a team of psychologists and social workers to implement an accompaniment strategy that assists the beneficiaries of new homes. Our practices, which have been recognized by the Colombian Chamber of Construction, contribute to assist families in the process of adapting adequately to the life processes in the community, so that their new homes will continue to be a dignified living space in the long term.

In 2015, we successfully contributed to implementing the program in three communities located in the Department of Cesar. As part of the program, the people living in the more than 1,200 new homes received training courses on their rights and obligations as homeowners, including workshops on appropriation, communal living, the law for horizontal properties, and the concepts of what is their own, what is common property, and what is public property. With these workshops, we strive to enrich the relationship between family members and their new homes, foster pacific communal living, and sensitize them to the importance of caring for and protecting their surroundings.



El Recuerdo neighborhood | Montería, Colombia



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We promote innovation and developing new practices.

CEMEX Building Award

At CEMEX Latam Holdings, we promote a culture of continuous innovation in construction by recognizing the talent of people who create concrete works that respond to the social, energy, and environmental challenges the region faces.

Each year in Colombia, Costa Rica, Guatemala, Nicaragua, and Panama, we

have an open invitation for architects, engineers, investors, and builders to participate in local editions of the CEMEX Building Award. The goal of the award is to promote better solutions in the construction sector and foster innovation in the creation of works that improve people's quality of life.

The best works, together with the people that made them possible, compete in the international edition of the award.

In the XXIV International Edition, Colombia obtained first place in the Institutional-Industrial category, with the Santa María de los Caballeros Chapel, and second place in the Housing category, with the Urban Living 80|10 building.

[CEMEX Building Award in Colombia](#)

Contributing to designing sustainable buildings

When facing the challenge of developing materials and buildings that are more sustainable, we have assumed an important role as members of the Managing Committee of the Colombian Council for Sustainable Construction, a full member of the World Green Building Business Council. This network of people, companies, and entities promotes changes in the construction industry that will create the basis for sound environmental responsibility and greater well-being for the Colombian people.

By participating, we strive to promote the transition toward sustainability practices in urban design and construction in the country.

In order to increase the knowledge, involvement, and responsibility of different actors regarding the topic of sustainable building, the work of the Council is based on four strategic lines of action: education, technical management, public policy, and communications and marketing. [Colombian Council for Sustainable Construction](#)



Santa María de los Caballeros Chapel | Bogotá, Colombia



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Construrama®, we support the growth of hardware stores

Construrama® offers opportunities for our hardware distributors to upgrade their operations and get closer to their customers by offering a friendlier, easier, and more innovative buying experience.

As part of this CEMEX Latam Holdings solution, we work with hardware stores to optimize the layout of their stores and grow their value-added products and services. We also grant opportunities for training and certification, which in addition to installing special point-of-sale software, improves customer service and business management—including the detailed control of sales, inventory, and product mix.



As a result, since 2013 Construrama® has been positioned as the hardware store chain with the most points of sale in Colombia, and its recognition in Nicaragua, Costa Rica, and El Salvador is growing. In total, we have close to 300 Construrama® hardware stores in our region.

US\$7 million in credits for working capital through a Construrama® loan

To date, more than 7,700 Construrama® hardware store employees and construction foremen have participated in training programs, and more than 42,000 foremen are registered in the Construganas loyalty program.

The seven Construrama® improvements that foster more sales, more control, and less expenses

- 1. Physical transformation of the store:** Product placement at the point-of-sale is personalized for each hardware store based on the results of a market study and the location of the store.
- 2. Financial services:** We offer financing options to access Construrama®, as well as working capital and credit for the final consumer.
- 3. More products and services:** We increased the offering and variety of the hardware stores, adding more than 5,000 Construrama® brand products.
- 4. Commercial action plan:** We offer access to advertising campaigns, promotions, print and digital media, as well as loyalty programs.
- 5. Training:** We offer consumers training programs in service, management, product placement, and point-of-sale technology protocols, as well as workshops.
- 6. Preferential service:** We offer hardware stores a dedicated service line, and we give them priority when programming and making deliveries.
- 7. CEMEX portfolio:** We offer discounts and incentives on our building materials portfolio.

The transformation of the hardware stores includes technical advice in construction, financing, and microcredit for hardware customers, foremen, and end consumers, as well as investments in advertising and marketing, promotions, sales, and consumer-loyalty programs.

Upgrading the hardware stores brings considerable benefits to the communities. The growth in sales and the training programs consolidate new jobs and formalize existing ones. The convenience and availability of additional services, such as banking, paying for utility bills, and refilling prepaid cell phones, save the community time and money in trips. Finally, improvements in the appearance of the stores contribute to building cleaner and safer communities.

In summary, the combination of tradition, experience, and closeness to the community, as well as the benefits associated with belonging to a multinational chain, empowers hardware stores to grow revenue, reduce costs, and gain more control over how they manage their business.

The Patrimonio Hoy program has been strengthened by being part of the Construrama® offering. In 2015, we financed and delivered building materials for a value of close to 1 million dollars, and our goal is to double that number by 2016. ∞



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A high-impact social strategy



+112,000
people have benefited from
Patrimonio Hoy since 2005.



We contribute with our
programs to reach the
Sustainable Development
Goals.



We opened the first
community center in
Panama.



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Managing our social investment strategy

At CEMEX Latam Holdings, we are increasingly more committed to contributing toward building a better future for our neighbors and communities.

Across the region, and even beyond the locations neighboring our operations, we implement programs and initiatives that have a positive impact on communities, promote growth, and contribute to eradicating poverty.

To accomplish this, we apply different elements for managing our investment strategy, which make our actions more productive, build long-term working relationships, and help us reach our established goals.

The key managing elements in our social investment strategy are to maintain direct and open communication with our neighbors, use investment principles to make decisions, look for allies and work as a team, understand that the active participation of the community is indispensable, and involve our volunteer employees.

Elements for Managing the Social Investment Strategy

The communities don't need gifts, they need opportunities





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We maintain a productive dialogue with our neighbors

Listening and being attentive to the communities where we operate is key to the success of our social investment strategy, and it is a commitment we will continue to reinforce. In order to fully understand the needs, challenges, and concerns of our neighbors, and to actively contribute to their development, we use several tools to make communication channels available before, during, and after the close of operations at our plants.

In Colombia and Panama, the Neighbor Councils constitute one of our main tools. In these councils, our community relations coordinators, in collaboration with company specialists and the

In constant contact with our neighbors

Community relations coordinators at our plants



Community engagement plans in every operation



Dialogue before opening, during operations, and at the close of an operation

managers of our cement plants, meet on a monthly basis with representatives of different sectors of the community. This is an open space for discussing issues that are of common interest, listening to concerns, and presenting the progress achieved in community development programs that we implement together, as well as examining ways in which we can improve them.

Community newsletters such as *Voces* magazine, in Colombia, and *Juntos lo Hacemos Mejor*, in Panama, contribute to strengthening our relationship with the communities neighboring our cement operations. They include information about our work and the progress in our investment and community development programs.

In Costa Rica and Panama, we have implemented the Puertas Abiertas (Open Doors) program, through which people living in our neighboring communities can come visit our plants and get to know our production processes. As part of the program, we annually receive children and young people with the goal of making them curious about how to grow up in professional surroundings.

Through open communications, we develop strong community relationships that are long-term and have been adapted specifically to the particular circumstances of each community in which we operate.



Our community relations coordinators, who are present in every country in which we operate, use various tools to maintain open channels of communication, and this helps us better understand local needs.





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We follow clear social investment principles

We are committed to permanently assessing the results of our social development strategy, seeking to maximize the long-term benefits for both the community and the company.

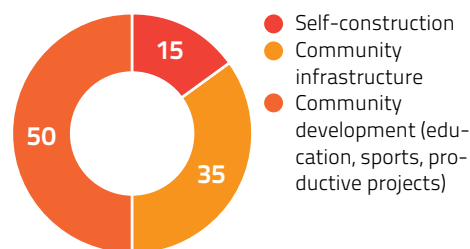
In Colombia, in 2013, we used studies, surveys, and conversations with our neighbors in order to assess the effectiveness of our program portfolio. This helped us to better allocate the resources we invest on more effective initiatives and concentrate on having a more positive impact.

As a result of the evaluation process, we developed a set of 10 principles that have been accompanying us since then and serve as a guide when we evaluate and make decisions about the feasibility of investing in new programs and community initiatives in Colombia. We are currently working on expanding this approach to the rest of the countries where we operate in the region.

As a result, in Colombia we have consolidated a portfolio of programs proven to have the best results in terms of empowering individuals and their families and contributing to building self-sufficient communities. Finally, we align the budget allocated to social programs and initiatives with our priority action pillars.

We align the social investment budget with our priority action pillars.

CEMEX Colombia budget allocation by type of program (percentage)



Our 10 social investment principles

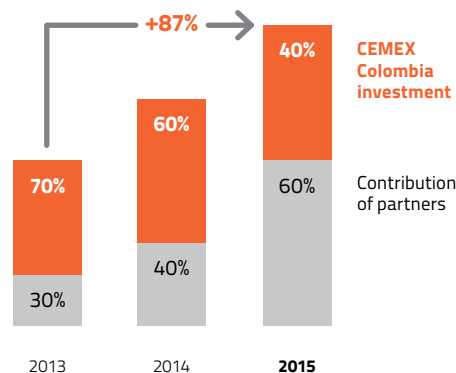
- 1. Pertinence:** Does it respond to a particular need?
- 2. Relevance:** Is it important for the community and the company?
- 3. Effectiveness:** Does it comply with the objective for which it was created?
- 4. Sustainability:** Is it economically self-sustainable?
- 5. Innovation:** Does it have innovative components?
- 6. Quantitative impact:** Does it cover an important part of the people in the community?
- 7. Qualitative impact:** Does it generate observable effects?
- 8. Developing capabilities:** Does it allow the population to acquire knowledge and abilities?
- 9. Value for the community:** Does it generate value for the community?
- 10. Value for the company:** Does it generate value for the company?

We work as a team to multiply benefits

For each of our social investment programs, we seek to establish partnerships with organizations that share our values and help us understand better a community's challenges, implement a set of more effective solutions that contribute to addressing these challenges, and multiply the financial and human resources we invest, all in order to increase the scope of the implemented actions.

In Colombia, because of the trust generated by our social investment strategy, as of 2015 we have doubled the number of organizations that are our allies, compared to 2013, for a total of 83 governmental, education, private, and nonprofit organizations that participate in our programs. Because these partnerships have grown and are much stronger, we were able to increase by 87% the resources invested in our social programs since 2013.

Evolution of the investment in our community programs in Colombia



The community is actively involved

In order to be congruent with our philosophy that communities do not need gifts, but rather opportunities, we have implemented a management element that plays a key role in our social investment strategy: The active participation of the community in the programs we implement is indispensable.

When establishing a sustainability position in our programs and initiatives, we face the challenge of finding an adequate balance between the investment we make in human and financial resources and the participation we require from the communities. The final goal is to create the conditions, know-how, and expertise in the communities that will help us maximize the long-term benefits of our initiatives and make a considerable contribution toward eradicating poverty in the country and building sustainable communities.

+7,000 hours of work were volunteered by our neighbors through the Improving Community Infrastructure program in Colombia.



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We add the passion of our volunteer employees

In 2015, we were very successful in strengthening our volunteer program, taking into consideration a study carried out the prior year in which our employees gave their opinion about their engagement expectations in activities of this sort.

As a result, in Colombia during 2015 more than 640 volunteers—10 times more than in 2014—participated in one of the 19 Manos a la Obra (Hands-on)

campaigns that we implemented in the country. These campaigns aimed to motivate our employees to become agents of change and actively participate in the improvement of their communities.

The activities carried out during these volunteer campaigns are open to all employees, including their friends and family members, as well as neighbors of our operations, to participate in carrying out projects that address the social challenges being faced by our neighboring communities.

Volunteering is aligned with the social investment strategy

Bloqueras Solidarias	Improving infrastructure	Plan Padrino	Environmental campaigns	Community training
Volunteers participate in manufacturing blocks or building houses. They can also make cash donations.	Interested parties invest their manual labor toward improving or building housing, community centers, and schools.	Invites people to make cash donations so children can get school supplies and adequate nutrition.	With outings to the country, workers clean natural spaces and participate in reforestation campaigns.	Promotes the generation of capabilities in local communities.

1 out of every 5 CEMEX Colombia employees participated in volunteer activities.



CEMEX volunteers | Maceo plant, Colombia

In El Salvador, the whole team participated in improving the facilities of the literacy program Educando para la Vida (Educating for Life), in the neighborhood of Santa Rosa. In Panama, as part of the Mejorando mi Escuela (Improving My School) program we had campaigns to clean and condition the facilities of the Nuevo Caimitillo school.

Plan Padrino (Godparenting Plan) is a volunteer program looking to improve the academic and nutritional status of at-risk children living in communities close to our operations. More than 500 children in Colombia have benefited from monthly contributions made by our employees, and in Panama, more than 400 children receive school supplies and Christmas presents.

We strive for activities carried out during volunteer campaigns to be open to all employees, including friends and families, as well as the neighbors of our operations, all of whom can participate in projects that address the social challenges being faced by our neighboring communities.



Volunteers | Barrios de Colores La Fiscala



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We want to build self-sufficient communities, our contribution to the SDGs



The most recent figures published by the Economic Commission for Latin America and the Caribbean (ECLAC) estimate that 175 million people in Latin America—practically one out of every three—live in poverty.

Because we know that our operations are an important part of the

communities in which we live and operate, we strive to contribute toward eradicating poverty in the region by designing, planning, and implementing proper housing, infrastructure, and community development programs. The vision of our social investment strategy is to create sustainable communities in partnership with

stakeholders that promote their self-management, and in this way, contribute toward reaching the Sustainable Development Goals of the United Nations.

[Economic Commission for Latin America and the Caribbean](#)

SDGs we have an impact on	Pillars of our social investment strategy
<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>Make cities and human settlements inclusive, safe, resilient, and sustainable.</p>	<p>1. More proper housing</p> <p>As established by the Universal Declaration of Human Rights, we firmly believe in the universal right to have a proper home. The purpose of our inclusive and social businesses is to offer access to high-quality building materials and to involve the communities in the self-construction and improvement of their own homes.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>Build resilient infrastructure, promote sustainable industrialization, and foster innovation.</p>	<p>2. Better community infrastructure</p> <p>In order for life in the community to develop adequately, it is indispensable to have the necessary social equipment. With our community infrastructure programs, we invest in building better classrooms, roads, and parks that contribute to improving quality of life and increasing the level of well-being.</p>
<p>1 NO POVERTY</p>  <p>End poverty in all its forms everywhere.</p>	<p>3. Community development</p> <p>We promote values, practices, and communal living spaces that contribute to addressing the challenges being faced by the communities and to raising the living standards of families and individuals. We promote new knowledge and abilities as an effective way in which to offer new opportunities and additional sources of income. We believe in the power of local procurement and in developing suppliers as a sustainable practice that fosters job creation and promotes economic growth in the communities where we operate.</p>



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We build more proper homes

All parents strive to offer their children the safety of having a roof over their heads, and yet millions of families in our region have no access to a proper housing solution.

Because we are aware of the responsibility we have as a leading company in solutions for the construction industry in the region, at CEMEX Latam Holdings we know that the best way to maximize our social investment strategy is to give low-income people and families in at-risk situations access to self-construction programs and quality materials.

We have different inclusive and social businesses that maximize the creation of shared value by aligning our strategy

directly with the needs of communities throughout the region, generating sustainable and long-term benefits.

Our strength comes from combining passion, experience, and creativity with innovative building materials and value-added services, to offer our customers building solutions that are tailor-made to meet their needs. Patrimonio Hoy, Bloqueras Solidarias, and the Assisted Self-Construction Integrated Program helped families and communities throughout the year to build and improve their homes in the countries where we operate and, at different times, even in communities where we currently do not have either production or commercial operations in place.

CEMEX contributes to the Sustainable Development Goals
In 2015, the Harvard Kennedy School and the Department of International Development of the United Kingdom recognized the work of our partner CEMEX to reach the Sustainable Development Goals through programs that improve access to safe and affordable housing for low-income families. [Business and the Sustainable Development Goals—Building Blocks for Success at Scale](#)

Patrimonio Hoy is proof that with the right help, entire families and communities can develop the necessary knowledge and financial discipline to substantially improve their quality of life through better housing.

Currently, Patrimonio Hoy is linked to more than 200 Construrama® stores in Colombia, which lays the foundation to take the program to regions in the country where we do not have production plants or commercial operations and, in this way, multiply the number of families that receive its benefits.

We improve quality of life with Patrimonio Hoy

Founded in 1998 by our partner CEMEX, and active in our region for more than a decade, Patrimonio Hoy is our flagship social business. Its goal is to improve quality of life for people through a comprehensive, affordable, and efficient solution that makes access to housing easier.

The following are among the benefits that Patrimonio Hoy offers:

- Access to a wide array of high-quality building materials.
- Affordable microcredit to buy materials at fixed prices.
- Home delivery of the materials and vouchers to keep them in our warehouses.
- Technical assistance for self-construction.

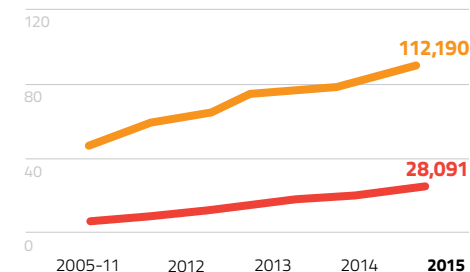
Fortune magazine recognizes the positive impact of CEMEX

In recognition of the Patrimonio Hoy program, in 2015 our partner CEMEX was ranked 16th in the Cambio en el Mundo (Change in the World) ranking published by *Fortune* magazine. CEMEX was the only company in the building materials sector to be included in the list.

Patrimonio Hoy results in our region

Cumulative figures

● families ● individuals



11 SUSTAINABLE CITIES AND COMMUNITIES



We are committed to contributing our strengths to reach one of the main objectives of Goal 11: Ensuring that by 2030 all people have access to adequate, safe, and affordable housing and basic services.



+90% of the Patrimonio Hoy affiliates in Colombia are able to satisfactorily conclude their projects for building or improving their homes.



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Bloqueras Solidarias and Assisted Self-Construction Integrated Program: two empowering programs

Low-income families participate in Bloqueras Solidarias, our program through which—with the help of technology, training, and raw materials—they employ themselves in the production of concrete blocks. Because of the operating model they use, Bloqueras Solidarias are a financially self-sustainable business that can be easily replicated. In 2016, our first such center will begin operating in Panama.

On the other hand, the Assisted Self-Construction Integrated Program (PIAC) emerged so that families that are part of Bloqueras Solidarias and are living in extreme poverty could have a better chance of building their homes in an effective way. To reach this goal, the PIAC offers access to additional building materials through the ConstruApoyo program, as well as training and supplementary supervision through the Construimos Juntos (Building Together) program.

7,700 people have improved their homes with the Bloqueras Solidarias and the Assisted Self-Construction Integrated programs since 2011.



Bloquera Solidaria | Colombia

How is a CEMEX Bloquera Solidaria installed and operated?



We listen to the communities

By communicating with the communities, we identify the places where improving access to housing is a priority.



We contribute our experience

CEMEX Latam Holdings provides materials and training, supervises and manages the operation, and co-finance machinery. We also carry out technical testing to ensure quality in production.



We work as a team

Governments, NGOs, and companies sign a collaboration agreement with CEMEX Latam Holdings to contribute the goods, services, or financing needed for installing a Bloquera Solidaria. The organizations make the project sustainable by committing to buying 50% of the production.



We involve the community

The community supplies labor and teamwork to build concrete blocks, and in exchange they receive 50% of the blocks produced, which they can use to build their own homes.



We evaluate results

In collaboration with the community and the partnering organizations, we evaluate the results of each Bloquera Solidaria to decide whether it should continue or move on to another community.
[Bloqueras Solidarias](#)

How does the Assisted Self-Construction Integrated Program work?



ConstruApoyo

The families that participate in Bloqueras Solidarias receive a precharged card, sponsored by one of our partners, to buy other building materials (such as rods, covers, or cement).



Construimos juntos

We engage allies, including architecture or engineering students, to offer training and technical assistance to the families and support them during the construction process.



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Better community infrastructure

We also use our experience and know-how in the construction industry to develop basic community infrastructure. We work as a team with organizations and government entities in the locality to promote a better quality of life for the families neighboring our operations and communities in the region.

In Colombia, the distinguishing feature of the Improving Community Infrastructure program is that it aims to guarantee the active participation of the community in local infrastructure projects. In harmony with a philosophy of creating new opportunities, our neighbors contribute

an average of more than 7,000 hours of volunteer work to build infrastructure for their communities. During 2015, through this program we invested in 86 infrastructure-improvement projects—a 30% increase compared to 2014—benefiting close to 173,000 people in 13 communities near our operations.

In Costa Rica, we have centered our efforts on working as a team with government institutions, development associations, and neighbor councils to develop and improve infrastructure in the communities where we operate. We offer materials and assistance in self-

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



We are committed to contributing to the objectives of Goal 9: To build reliable, sustainable, resilient, and high-quality infrastructure, with special emphasis on fair and affordable access for all.



Improving community infrastructure | Bucaramanga, Colombia



Opening of the Apulo road | Cundinamarca, Colombia

construction, and we've adapted facilities to respond to the current needs of the location, including improving streets, building sidewalks, renovating education centers, and building community spaces.

In Panama through the Paso Seguro (Strong Step) program, we collaborate with the federal government and local communities to upgrade streets, roads, paths, and pedestrian crossings for the communities that neighbor our operations.

In Panama, in 2015, we carried out upgrades and adapted works on the highway near our operations.



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Community development

At CEMEX Latam Holdings, we strive to be a good neighbor. This means getting directly involved with creating new opportunities in the communities where we operate, including the creation of jobs and additional sources of income, developing new knowledge and capabilities, and fostering values. We continually make an effort to multiply the number of partnerships we establish with neighbor councils, local municipalities, and NGOs in order to ensure the success of our projects and multiply their benefits.

We invest in development in Maceo, Colombia

The neighbor council and the community engagement office that we installed in the small town of La Susana, in the municipality of Maceo, in Colombia, have allowed us to maintain an open dialogue with our neighbors. Getting to know the concerns related to the construction of our new cement plant, as well as the challenges the community is facing, has given us the opportunity to implement an important investment program to improve the living conditions of the people who live in this important region of the country.

The following are among the main activities we have carried out in this area:

- Improving vehicular flow by paving 560 meters of the town's main road.
- Renewing six kilometers of the road connecting Maceo with San Luis Montenegro.
- Opening recreation spaces for 200 children through the Fútbol con Corazón (Soccer with a Heart) program.
- Reforesting 1.7 hectares of the Monterrey hacienda, in collaboration with the community.
- Training 90 children on environmental issues with the Sembrando Futuro (Seeding the Future) program.
- Improving the infrastructure of the communal hall in the town of La Susana.
- Improving equipment at the Cristo Rey school and the Hogar Juvenil Campesino (Farmer Youth Hall).



Fútbol con Corazón | Maceo, Colombia



Opening of the culture center | La Susana, Colombia



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Our community development initiatives

**Developing local
suppliers**

**Promoting new
knowledge and
abilities**

**Fostering
values,
practices, and
communal
living**

1 NO
POVERTY



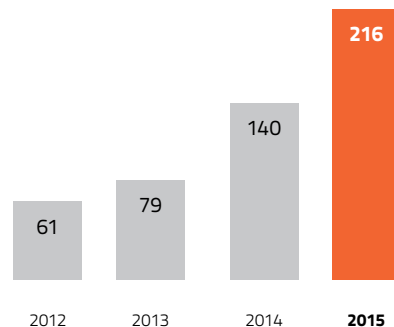
We are committed to contributing to the objectives of Goal 1: By 2030, eradicating extreme poverty and reducing the number of individuals living in poverty by at least 50%.

We believe local procurement is a valuable and sustainable practice

Developing local suppliers helps us maximize the benefits of our plants for individuals and families living in the communities where we operate. We have action plans in place to promote entrepreneurship in the areas of influence of our cement and aggregates plants. Our objective is to integrate—and maintain through constant training—new family and small- and medium-sized companies into our supplier base, and to create new sources of income.

To this end, when we start working at a new operation site, we seek to develop local suppliers at the same time. For example, since the arrival of our cement

Local companies that are part of the supplier base serving our plants in Colombia



plant in the community of Clemencia on the Caribbean coast of Colombia, our Community Engagement and Supply divisions have worked hard to invite and develop small community enterprises so that they can become part of our supply chain. This effort has already had good results, with the integration of more than 28 local companies to date into supplying the Clemencia plant.

In Costa Rica, we prioritize local and small- and medium-sized businesses

when purchasing products and services. Consequently, we have witnessed the birth of new local companies that today are generating jobs in the area.

In Panama, we signed an important supply agreement in 2014 with the Asociación de Comunidades del Chagres, which will be in charge of the reforestation of our operations over the course of the next five years. In particular, since 2015 more than seven hectares have been reforested, benefiting 25 families.



Clemencia plant | Clemencia, Colombia



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We support rural entrepreneurs in Guanacaste, Costa Rica

The Rural Business Accelerator we launched in Guanacaste, Costa Rica, emerged as a response to our observation that rural entrepreneurs in that community needed assistance in order to promote business growth and find the backing to sell their products in markets beyond their own zones.

In this ambitious initiative, we collaborated with a network of 10 allies, including the Ministry of the Economy, Industry, and Commerce; the municipalities in the province; and the Universidad de Costa Rica. The goal

is to combine the capabilities each partner brings to the table in order to have a social impact that will help entrepreneurs generate greater revenue, have better access to formal markets, and create jobs, with the corresponding improvement in their quality of life and that of their families and community.

For the design of this initiative, we used the experience of the past few years of working with five community start-ups that have been very successful. We also carried out an engagement process with the accelerator's allies and signed an agreement with Auto Mercado, a supermarket chain. We will set up islands identified with the Rural

Business Accelerator logo in order to market the products of the participating micro-enterprises.

We started the accelerator by building a base of rural entrepreneurs, the first in the country. Later on, a panel of experts will assess these entrepreneurs using different selection criteria and prioritizing their products based on the potential to be produced at a greater scale and sold in supermarkets. They will also evaluate business innovation and the opportunity it offers to generate production chains.

During 2016, we will hold a contest that

will grant US\$10,000 to be distributed among three entrepreneurs who, upon winning, will acquire the commitment to invest these resources toward increasing productivity and quality in their products. Furthermore, an additional US\$2,000 will be granted to the product with the highest environmental value.

In addition to the cash award, the accelerator wishes to offer other benefits that will extend, with different degrees, to the contest finalists and to all participants. These include access to training, assistance, and accompaniment in techniques to formalize their businesses; ideas for improving both the company's and the products' image; giving strategic, legal, and quality-control advice; and sharing information on methods to increase production.

In collaboration with the municipalities, we are also going to work with those companies that are now part of the national rural entrepreneur base but that do not comply with the requirements of the accelerator; we plan to offer them a series of suggestions about aspects they need to work on in order to be able to participate in the following year's contest.

Given that the model is easy to replicate, we hope that in following years we will be able to develop similar accelerators in other provinces in Costa Rica, or even in other countries in our region.



Signing of the Rural Business Accelerator initiative | Guanacaste, Costa Rica



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SENA students visit | Clemencia plant, Colombia



Knowledge is a source of opportunities

The more knowledge, experience, and work capabilities people have, the greater the chance of increasing their income, improve quality of life for their families, and being successful.

In Colombia, the Program to Develop Abilities for the Workplace, which is organized in partnership with the National Learning Service, contributes to building practical capabilities that result in better job opportunities. In 2015, 790 students graduated after taking courses relevant to local industries and commerce. Some of the graduating students also have the opportunity to continue learning through internships in CEMEX Latam Holdings' operations in the country.

To increase the scope of our training efforts in Colombia, we laid the foundations for signing an agreement with the EDUPOL Foundation that will offer virtual professional studies to new locations in the country. Starting in 2016, this project will benefit 47 young people and adults who are neighbors of our Maceo plant.

790 students graduated from the Program to Develop Abilities for the Workplace in 2015.

In Costa Rica, Panama, Nicaragua, and Colombia, we have established a partnership with the Asociación Nacional Pro Superación Personal (ANSPAC) to promote self-improvement in women. In collaboration with ANSPAC, we offer courses in communities neighboring our operations, helping them develop new

skills and trades as well as creating or expanding microbusinesses.

We also center our efforts on developing productive environmental programs that generate supplementary income and

promote cultivating the land through sustainable processes. In 2015, our operations in Colombia, in collaboration with the Guayacanal Foundation and the municipality of Los Santos, in Santander, organized the Energy Efficiency Model for Arid Areas in order to try to adapt the farm economy to the new environmental conditions brought about by climate change.

In Costa Rica, since 2013, we have supported the establishment of Ebenezer, a small rural company that grows hydroponic vegetables and is led by eight women who are heads of their households in the community of Peñas Blancas, in Abangares. As part of our commitment, we took on the whole investment in infrastructure and acquired 50% of the vegetables produced, which are consumed at our employee cafeteria.



Ebenezer | Costa Rica



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Community center | Panama

Community Centers

The CEMEX Community Centers are meeting places where we carry out engagement, education, and sports activities to benefit the communities neighboring our operations.

In 2015, in partnership with the Panamanian Ministry of Social Development, we opened our first community center in the country, benefiting 12,000 people living in the communities near Chilibre. The center helps us get closer to our neighbors and listen to their concerns, formalize and widen the social programs that were already in place in the community and launch new training programs. Starting in 2016, we will offer courses at the center on basic information technologies for adults and young people. These courses will be presented in collaboration with the National Institute for Professional Education and Training in Human Development.

In 2015, at our two community centers in Bogotá and Payandé, in Colombia, we contributed educational training and entertainment to 18,500 children, young people, mothers, and senior citizens, who participated in a variety of activities including dancing, music, learning systems, handcrafts, and reading.

In Costa Rica, our community center in the Patarrá plant offers technical workshops and training on personal growth and entrepreneurship to women in nearby communities, giving them the tools needed to improve quality of life.

The number of people in Colombia who participated in activities at our community centers grew 10 times compared to the prior year.

We promote environmental stewardship

We work with our neighboring communities to create awareness about environmental stewardship and to find productive projects that use sustainable processes to generate additional revenue for the families living in the communities in which we operate.

In Nicaragua, through a 2013–2016 forest initiative known as En Armonía con la Naturaleza (In Harmony with Nature), we have planted more than 75,000 trees, reforesting 65 hectares of forests in the municipality of San Rafael del Sur, which is located 46 km from the capital. This initiative gives Managua a new green lung and will contribute to recovering local flora and fauna. We promote this program in collaboration with the Ministry of the Environment and Natural Resources, the National Forest Institute, and the municipality of San Rafael del Sur, which will be in charge of caring for and maintaining the area allocated to this project.

In Costa Rica, we developed an environmental education program in collaboration with the Cipanci Wildlife Refuge and with the support of the Ministry of the Environment, Energy, and Oceans. The initiative includes training and environmental campaigns for children in schools located close to our operations.

In Colombia, the Sembrando Futuro (Seeding the Future) program contributes to forming environmental leaders through a series of workshops in which children and youngsters from neighboring communities make a commitment to promote, through their own example, the importance of recycling and water conservation. As part of the program, in 2015 more than 2,000 children committed to caring for the trees planted during reforestation campaigns held in their communities.

In Panama, we collaborate annually with initiatives carried out by the National Environmental Authority to promote the Month of the Environment. In order to foster awareness of how important it is that we protect our planet—and in the framework of Earth Day—every year we donate trees from our own nursery to different parts of Panama City and, starting in 2015, also to our new community center.

Our volunteers in Colombia carried out a work campaign in favor of preserving the Chingaza Natural National Park by assembling immunized wood bridges, building ditches for draining water currents appropriately, and reinforcing roads.



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Promoting values through sports

We recognize the importance of building recreational and sports facilities where children and youngsters can make good use of free time. Since close to 3,000 children annually form values such as tolerance, solidarity, teamwork, discipline, and punctuality at the CEMEX Sports Schools, this is one of the most widely recognized programs by our neighbors in Panama, Nicaragua, Guatemala, Costa Rica, and Colombia.

These schools are a key component of our goal to promote sustainable community development and respond to the need to create communication and communal living channels that reach families directly

We go beyond sports

In 2015, in Colombia, we trained all the coaches at our sports schools in the Fútbol con Corazón methodology, which consists of using the discipline of sports to teach children values and create life skills. The program basically promotes gender equality, with boys and girls playing on the same team. Furthermore, there are no referees during the game, which serves to promote skills such as effective conflict resolution and the ability to reach a consensual agreement, as well as tolerance, respect, and honesty.

and help foster respect, a value we consider to be critical.

For the schools to work, we contribute coaches, uniforms, and equipment for various sports, including soccer, swimming, basketball, dancing, and kickball. Additionally, a key component of the program is the investment we make in creating or improving community

sports facilities that serve as spaces for education, sports, and game needs, among other things.

In Nicaragua, as a result of our joint effort with the professional baseball team Bóer, three years ago we founded the CEMEX-Bóer children's academy. Involving parents in sports and recreational activities has strengthened family unions for the more than 200 children who have trained at the academy. In addition, in 2015 we opened the second soccer academy in the country, where participating children have access to safe recreational activities that foster values such as family integration and education.

In Panama, in 2015, we opened the fifth soccer academy, where children from the communities neighboring Cativá, in the province of Colón, receive comprehensive education through sports.

In Colombia, we opened our first sports school in 2008; currently, with the opening of two soccer schools in the municipality of Maceo—where we will soon be starting to operate a cement plant—we have 11 schools in 10 departments in the country. 🇨🇴



Swimming | Bucaramanga, Colombia



Basketball school | Los Patios



Sports schools | Los Patios



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4

A low-carbon and resource-efficient industry



65% of our cement
operations have been ISO
14001 certified.



-39% in waste
generation since 2013.



100% of our clinker
production is done in kilns
using alternative fuels.



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Robust management: the first step toward reaching our goals



We are committed to performing our activities in a responsible and sustainable way, and to minimizing their environmental implications. We guide our efforts through the Environmental Policy that leads the CEMEX operations globally, and we use the CEMEX Environmental Management System (EMS) as the main tool to evaluate the way in which our plants operate, respond to changing conditions in the market, and formulate processes that help us comply with our commitment through continuous environmental improvement. Additionally, 65% of our cement operations are ISO 14001 certified for environmental management.

The CEMEX EMS—which is compatible with the ISO 14001 standard and the EU Eco-Management and Audit Scheme (EMAS)—is designed to facilitate the implementation of risk-based management tools, and promote stakeholder engagement, as well as increase collaboration among our specialists,

Elements of the CEMEX Environmental Management System



encourage the exchange of best practices, and systematize the way in which we report information. For example, in cement operations, the CEMEX EMS is known for offering a comprehensive view of the total production process and for addressing a number of priorities, including protecting the atmosphere (reducing emissions and noise), water (consumption and disposal), soil, as well as the efficient use of resources (energy and raw materials), and minimizing and adequate waste management.

As of 2015, we have successfully implemented the CEMEX EMS in 100% of our cement operations, and we continue to make progress to implement it in our concrete and aggregates operations.

We work as a team, and through periodic training meetings and our collaborative intranet platform, we share information on the best practices that have been implemented in the countries where we operate. Managing our environmental impact in a comprehensive manner is a fundamental part of our business philosophy.



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A systematic approach to managing the impact of our activities


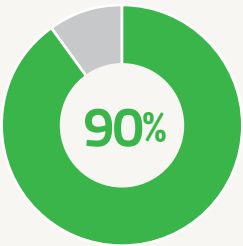



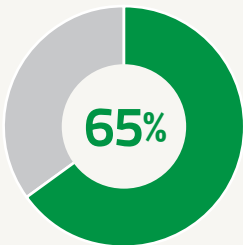

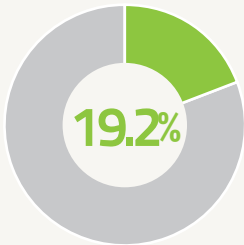

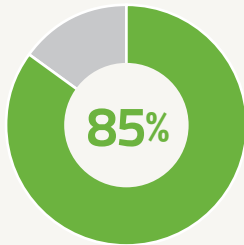
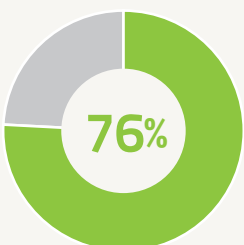

Responsible management	Monitoring	Preserving resources	Minimizing impact	Mitigating and eliminating impacts
 <p>100%</p> <p>of our cement operations have a CEMEX Environmental Management System in place</p>	 <p>90%</p> <p>of clinker produced with continuous monitoring of major emissions</p>	 <p>100%</p> <p>of the clinker kilns use alternative fuels</p>	<p>39%</p>  <p>reduction in the generation of waste since 2013</p>	 <p>100%</p> <p>of clinker kilns have a CDM project of the Kyoto Protocol</p>
 <p>65%</p> <p>of our cement operations are ISO 14001 certified</p>	 <p>100%</p> <p>of our operations have a tool to measure our products' CO₂ footprint</p>	 <p>19.2%</p> <p>was the substitution rate of alternative fuels</p>	<p>26%</p>  <p>reduction in dust emissions in cement operations with respect to 2014</p>	 <p>85%</p> <p>of our cement and aggregates operations have quarry rehabilitation plans</p>
<ul style="list-style-type: none"> ▪ Environmental Policy ▪ Biodiversity Policy ▪ Corporate Water Policy ▪ Position Papers ▪ Comprehensive Solid Waste Management Plan 		 <p>76%</p> <p>of our aggregates operations have water recycling plants</p>		 <p>0</p> <p>category 1 environmental incidents in 2015</p>



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We contribute to addressing the environmental challenges of modern society

As part of our commitment to performing our activities in a sustainable manner, aside from making sure that natural resources are used optimally in our operations, we contribute to addressing the various challenges of modern society:

Efficient waste disposal

By using traditional disposal methods, much of the waste and waste products of modern society generate methane or CO₂ emissions during the decomposition stage. Because of the high efficiency and special conditions of the kiln—temperatures of up to 1,450°C, careful supply, and sustainable practices—the cement kiln is superior by far to other alternatives for effectively and efficiently disposing of waste and for recovering its energy.

Using waste products

We have several agreements with power plants to use the ash they generate: a waste product with cementitious characteristics that can have environmental liabilities if not adequately managed. Although the numbers are still small at this point, we hope that by applying industrial ecology, in the future these synergies will help us use this waste product and, at the same time, reduce the clinker factor in cement production.

Disposal of construction waste

Our facilities at La Fiscala and Las Delicias, in Colombia, are a destination for Construction and Demolition Waste (CDW). This solution allows our clients to maximize the use of their materials, comply with environmental norms, and also apply for LEED points for their projects. The environmental management and registration plan of Colombia's Urban Development Institute allows us to issue certificates for proper CDW disposal.

Sustainable mobility

In order to contribute to reducing the number of vehicles on the streets, improve commute times, and optimize the use of parking spaces, at our Bogotá corporate offices we have implemented a sustainable mobility program that encourages employees to borrow bicycles as a means of transportation, makes work schedules more flexible by allowing employees to avoid rush hours, and uses a web platform that promotes the shared use of automobiles.



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Optimizing our carbon footprint



The United Nations Environmental Program estimates that the consumption of fossil fuel during the operation phase of buildings contributes approximately one third of the total global greenhouse gas emissions. Consequently, it is estimated that the urbanization process over the next decades will become the greatest

driver behind the growing consumption of energy and the increase in emissions.

At CEMEX Latam Holdings, we interpret our responsibility in the context of climate change in two ways. First, we are committed to innovation and development so we can offer the market products and services for

constructing buildings that are more efficient, resilient, and have sustainable characteristics. Second, we work hard to decrease the carbon footprint of our operations and maximize the contribution of our plants for the benefit society.

The production of clinker—the main component in cement—generates greenhouse gas emissions. Clinker is produced in rotatory kilns that process limestone, clay, and other minerals at temperatures above 1,450°C. The carbon dioxide (CO₂) generated in the process is the result of the chemical decomposition of the limestone into lime and CO₂ and from burning the fuel needed to achieve the necessary temperatures.

In order to reduce the carbon footprint of our clinker production, there are three main lines of action:

1. Optimizing the production of clinker in cement (clinker/cement factor)
2. Operating efficiently and maximizing the use of clean and renewable sources of energy.
3. Reusing waste generated by society and transforming it into alternative fuels.

CEMEX Latam Holdings' role in the Carbon Disclosure Project

In 2015 CEMEX Latam Holdings was invited by the Carbon Disclosure Project (CDP) to register as a participant. CEMEX Latam Holdings and the CDP agreed not to present a separate report for our operations since our partner CEMEX reports the information on all the operations that it controls globally. For the fourth consecutive year, the CDP named CEMEX one of the best Latin American companies in terms of climate change data disclosure. Our stakeholders can view the CEMEX report to learn more about the efforts that CEMEX Latam Holdings carries out in the region.





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Optimizing the clinker content in cement

Using alternative cementitious materials in cement production contributes to reducing the consumption of natural resources, as well as reducing the CO₂ emissions associated with the production of clinker—including the energy needed for mining the quarries.

It is important to point out that substituting clinker for alternative materials is limited by the availability of other cementitious materials, as well as by the demand and use of different types of cement and by the technical limits allowed for its manufacture. In



Our portfolio of CO₂ compensation projects

The goal of the Clean Development Mechanism (CDM), a disposition of the Kyoto Protocol, is to encourage the implementation of emissions reduction projects in developing countries. Those countries then accumulate certified emissions reductions. Since 2006, CEMEX Latam Holdings has worked on identifying, documenting, and registering projects that mitigate carbon emissions and generate equivalent credits. Currently we have four registered projects—with a compensation potential of close to 330,000 tons of CO₂ annually—and, at the same time, we monitor the evolution of compensation mechanisms, including MDL, that have not yet reached the forecasted potential to encourage a greater number of projects.

2015, the clinker factor in our cement production was 70.1%, an increase of 1.6 percentage points with respect to the prior year. The increase was caused basically by a greater demand for cement with technical characteristics that require a higher ratio of clinker in the mix.

Some of the main alternative materials that can be used for making cement include waste generated by other industries in their production processes, including pozzolana, blast furnace slag, fly ash from electric power generation plants, and limestone.

To reinforce the strategy that helps us optimize the clinker factor, we have implemented several actions, including improving the cement grinding systems, producing clinker with greater reactivity, and optimizing the portfolio of cementitious products that require a lower clinker factor in the mix.

Operating efficiently and maximizing the use of clean and renewable sources of energy

We are strongly committed to using energy efficiently in our operations, as well as sourcing from and investing in renewable sources.

Starting in 2015, we began operating our business unit that specializes in the energy market in Colombia: The entity is an agent that actively participates in the wholesale market with the main goal of ensuring a complete and reliable supply for the growing energy needs of our operations in the country, reducing costs through more competitive fees, selling the temporary surpluses of the energy we produce, establishing partnerships, and optimizing the portfolio of suppliers that favor renewable sources of energy.

As a first step in its assets portfolio, the entity manages the energy generated in the Sueva I and Sueva II hydroelectric

power stations, which besides supplying 100% of the needs for the Santa Rosa plant, generate a surplus that is sold in the Colombian energy market.

100% of the electric power we acquired in Colombia in 2015 came from renewable sources.

Additionally, in Colombia, the hydroelectric power we produce in Bucaramanga fulfills approximately 30% of our requirements in cement operations in that location. The Caracolito plant and our new operation in Clemencia, have highly efficient self-generation power equipment that uses technologies that run on natural gas, fulfilling 68% and 100% of our requirements, respectively. In Panama, our Bayano cement plant currently exclusively uses energy supplied by hydroelectric power stations in the region.

We are constantly trying to be more efficient

The efficiency projects that we are continually looking to implement in each one of our production stages include incorporating new and better technologies, using natural light or installing LED lighting in the warehouses, and making sure we have adequate levels of load and capacity in our equipment.





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Repurposing society's waste to transform it into fuel

By using traditional disposal methods such as, for example, storing in landfills, much of modern society's waste and waste products generate CO₂ emissions and other negative externalities such as leachates, smells, and vectors during their decomposition, which affect the environment and the quality of life of people.

CEMEX Latam Holdings has the experience needed to acquire, process, store, and use the energy from waste and waste products. In 2015, we registered an alternative-fuel substitution rate of 19.2%, a number that is below our potential. The challenge is basically in the lack of policies and regulatory frameworks that help us absorb the costs of externalities that produce the inadequate management



Alternative fuels | Caracolito plant, Colombia

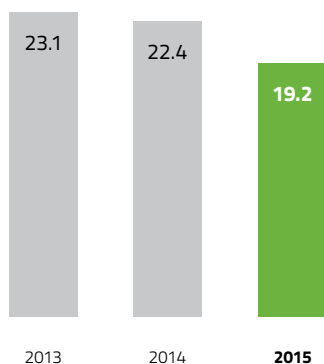
of solid waste, so that other processes such as recycling and coprocessing are viable. We expect to be able to work with the industry and governments so that this scenario can change and, in a few years, we are able to reach substitution rates that are similar to those of more developed countries.

100% of our clinker production was carried out in kilns using alternative fuels.

Substituting traditional fossil fuels for alternative fuels, helps us maximize the social contribution our plants make with clear environmental and economic benefits.

- Recovering the energy stored in waste and reducing total CO₂ emissions in the process—those emissions generated by the use of alternative fuels with biomass content—are considered carbon-neutral.
- Contributing to preserving non-renewable resources and offering the communities a better, more effective, and more efficient alternative other than disposing of waste in landfills.
- Promoting economic activity related to developing new supply chains for alternative fuels.

Alternative-fuels rate % of the total fuels used



A local solution for the disposal of waste

Caracolito plant uses 20,000 tons of rice husks each year as fuel to produce cement. This offers two main environmental benefits: It reduces the consumption of more than 10,000 tons of carbon annually, and it contributes to solving the problem generated by the inadequate final disposal of husks.

The alternative fuels used in the cement kilns are predominantly waste and waste products from industrial, domestic, agricultural, and forestry processes—including used tires, waste solvents, residual oils, and processed municipal solid waste.

We also try to maximize the use of biomass waste, including rice and coffee husks, animal feed, sediments from discharge water, and sludge from treatment systems.



Biomass | Caracolito plant, Colombia



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Minimizing emissions and conserving land, biodiversity, and water

Clemencia plant | Colombia



In addition to their intrinsic value, natural ecosystems provide essential services to people, such as sequestering carbon, providing fresh water, supporting food production, and preventing diseases. Climate change, energy demand, biodiversity loss, and water scarcity are all global issues that will exert significant pressure on ecosystems, businesses, and society over the next decades

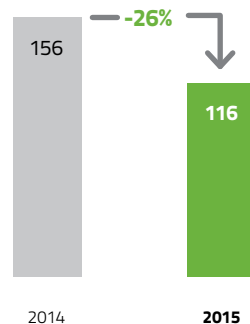
We invest in technology to minimize emissions

The CEMEX EMS constitutes a permanent effort to monitor and minimize our major and minor emissions. Currently we have installed technology through which we can continuously monitor emissions in 90% of our clinker production. Our goal is to

ensure that we can stay below the legal local limits and identify new ways in which to reduce them.

Dust emissions in cement operations

Grams per ton of clinker



For example, in Colombia, emissions from the Caracolito plant have continually been below the levels established in the environmental standard. However, starting in 2010 we have invested in technological conversion projects that increase efficiency levels and operative safety in the plant. This currently allows us to capture more than 99% of the generated emissions of particles. The project included the design, construction, and mounting of a new bag filter, a high-technology machine that captures the particles generated by the operation and makes it easier to control and manage them internally, stopping them from dispersing into the environment.

Additionally, at the Caracolito and Los Patios Cúcuta plants, both in Colombia, new burners were installed to increase energy efficiency, reduce gas emissions, and run on alternative fuels. Finally, we installed state-of-the-art filters in the loading areas of five concrete operations that help reduce emissions of the plants located in population centers. This is a permanent effort to reduce the impact on neighboring areas and to ensure the sustainability of the operation.

We had no major or category 1 environmental incidents in 2015.





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Focused on protecting and improving biodiversity

Protecting biodiversity is key to our commitment to be a responsible steward of the natural resources we use and to carry out our activities in a sustainable manner. To guide us in this task, we have integrated the CEMEX Biodiversity Policy into our business model.

The Biodiversity Action Plan (BAP) is one of the main tools we use to manage and improve the sites we identify as having a high biodiversity value. Developed based on the global partnership of our partner CEMEX with BirdLife International, the BAP Standard guides us in drafting local plans that are systematic, detailed, and tailored to the value and challenges of each operation. The BAP Standard contributes to identifying and establishing priorities

Committed during and after the use of resources

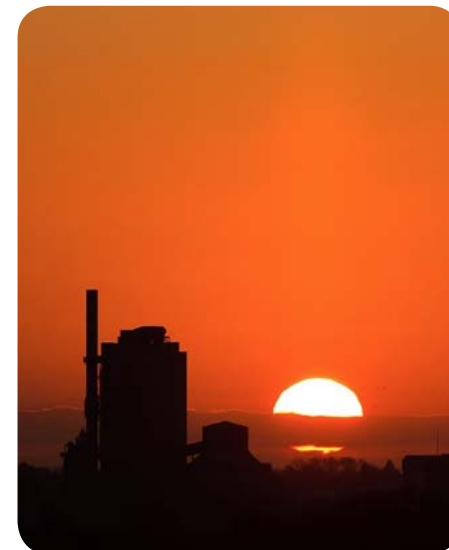
We have restoration plans in 81% of our cement plants and in 100% of our active aggregates quarries. The objective behind restoring our quarries is to sustainably close production activity, minimizing negative impacts, consolidating environmental compensation programs, and strengthening the supply of environmental goods and services to contribute to developing the location. For example, in the Apulo mine in Colombia, we have made progress in reforesting the slopes in order to restore the land to a condition similar to what it was when the intervention first began.

for managing biodiversity in our operations, and also to creating tools to evaluate, manage, and implement effective actions in favor of biodiversity.

In 2015, CEMEX and Birdlife International renewed their partnership for three more years to continue promoting and restoring biodiversity in the natural areas where minerals are extracted.

To move toward reaching our 2020 goal of having a functioning BAP in those places that we identified as priority locations, in 2014 we began implementing the first stage of the BAP in Minas de Santander. This includes a collaboration agreement with Calidris Association, a local partner of BirdLife International, that includes establishing a schedule and work plans, as well as training programs for overseeing the protection of species. The project will benefit local communities by designating specific zones for grazing in order to avoid overgrazing, one of the main threats to the ecosystem in the region.

By managing the land responsibly, we seek to protect four bird and plant species, of which at least one meets the site criteria of the Alliance for Zero Extinction.



Partnership with BirdLife International





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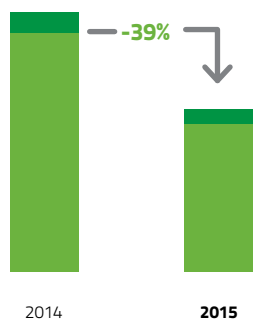
Responsible waste management

Developing our production processes generates waste, which needs to be managed adequately based on our own standards, best international practices, and the requirements imposed by local regulations.

In order to contribute to protecting the environment and to handling and managing waste correctly, at CEMEX Latam Holdings we have implemented the Comprehensive Solid Waste Management Plan, which establishes measures for controlling and minimizing the environmental impacts identified with the implementation of the CEMEX Environmental Management System. The objective of the plan is to suggest ways to reduce the generation of waste and to adequately manage, collect temporarily, and dispose of waste, favoring valorizing, reuse, and recycling programs, and taking into consideration the applicable environmental standards.

Waste management, cement, concrete, and aggregates operations

● hazardous ● non-hazardous



Sustainable transportation and noise management

We mitigate the noise associated with our operations by using operating controls, isolating the sources of noise, and carefully controlling activities that require controlled explosives. As much as possible, we avoid night operations in the quarries, and we coordinate the use of explosives to minimize alterations.

We maintain our vehicle fleet to make sure we protect the community, and by using strategic planning in our logistics, we avoid unnecessary truck traffic during rush hours. To minimize vehicular traffic, we are looking for ways in which to dispose of raw materials and products without the use of trucks. In some places, we use conveyor belts, and whenever feasible, we use multimodal systems for transporting our products. These efforts help reduce noise, vibration, and traffic jams, as well as the use of energy, carbon emissions, and costs.

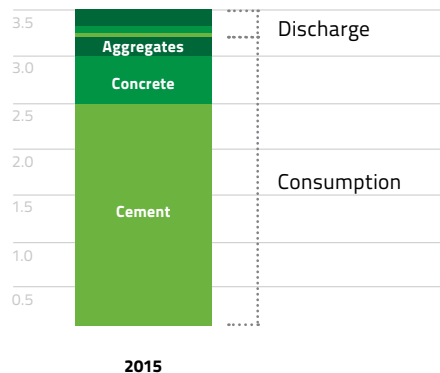
Optimizing our water consumption

At CEMEX Latam Holdings, we are fully committed to using water efficiently. We adopt the CEMEX Corporate Water Management Policy as a guideline that describes the company's strategy for sustainable management of water, acts as a framework for developing conservation measures, and establishes the basis for continuous improvement through measuring our performance against our objectives. The focus of the policy includes, besides our compliance with the codes and regulations, our commitment to protect the ecosystems in our operations and to establish positive, collaborative relationships in implementing water projects.

The Plan for the Efficient Use and Savings in Water establishes diagnostics, procedures, and responsibilities that have to be adopted at the cement facilities in order to optimally manage and use

Water footprint in 2015

Extraction in millions of m³



this resource. The plan contains the elements needed to identify and implement possible improvements for handling water in the production of cement, controlling collection points, addressing water use and treatment, and employing sustainable sources of water—for example discharge water from other industries.

76% of our operations have water recycling plants.

An important step toward reducing our water consumption is the standardization of our measuring processes. At CEMEX Latam Holdings, we benefit from the partnership CEMEX has with the International Union for Conservation of Nature (IUCN) to develop a methodology that includes key performance indicators specific to our industry, different levels of accuracy for water measurement, and guidance on how to report. ☞

We invest in state-of-the-art technology

In 2013, we began operations at our fifth cement production plant in Colombia: the Clemencia plant. As part of our commitment to continue growing sustainably, the plant's cement grinding process has state-of-the-art technology that eliminates 100% of water consumption in the industrial process and treats water through evaporation wetlands of the water from domestic effluents, thus ensuring water conservation.



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Embedding our core values into every action



17% reduction in
the lost time injury rate
for employees.



100% of countries
where we operate apply
customer satisfaction
surveys.



90% of our purchases
come from national
suppliers.



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Placing health and safety first

The safety, health, and well-being of our employees, contractors, and third parties are the highest priorities for CEMEX Latam Holdings. These are key factors in the successful development of our operations. Consequently, we continually improve our prevention strategies in terms of industrial safety and promoting occupational health.

We are committed to promoting a culture of personal responsibility and prevention to ensure the safety of our employees and the integrity and continuity of our operations.

Following the learning curve in 2012, when the company's operations began to grow, we have adopted various approaches

to strengthen safety in our operations: reinforcing leadership and a culture of safety throughout the chain of command, transitioning from a regional strategy to broader strategies that address local challenges, and promoting the design of specific solutions for the different business units and operation sites.

As a result, we continued making our operations increasingly safer and improving our safety and health indicators. In 2015, our employee lost time injury frequency rate per million hours worked was 0.64, down 17% compared to 2014, and down 80% since we began our efforts to strengthen safety measures in 2012.

We made progress in the OHSAS 18001 certification

In Colombia, the Caracolito plant and the Center-North Concrete Cluster obtained certification under the OHSAS 18001 standard, joining the Santa Rosa plant, certified in 2014. Certification under OHSAS 18001—the most important health and safety management system in the world—recognizes the company's outstanding risk management, which systematically implements actions geared toward preventing work-related injuries and diseases.

The CEMEX Latam Holdings Vision positions safety as our main priority:

- Ensure nothing comes before the health and safety of our people, contractors, and the community.
- Make safety a personal responsibility; look after yourself and each other.
- We believe zero incidents and zero fatalities are more than just a goal, they are a necessity.
- Hold each other accountable for safe acts and behaviors.

Lost Time Frequency Rate,
employees
per million hours worked

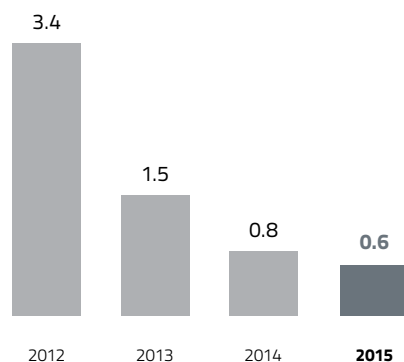




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Safety is everyone's responsibility
At CEMEX Latam Holdings, the safety chain is led by the human resources divisions, in collaboration with the industrial safety and occupational health departments and under the supervision of the directors of each of the business units. All of these parties are responsible for implementing the occupational health and safety strategies, as well as communicating examples of best practices, giving information on development initiatives, and following up on reported incidents. In this process, we benefit from the tools, knowledge, and initiatives promoted globally by our partner CEMEX.

With the CEMEX Health and Safety Management System (HSMS), we evaluate potential risks, establish performance expectations and requirements, and offer our leaders the tools needed to implement CEMEX Latam Holdings' health and safety strategy.

100% of our operation sites throughout the region have a functioning Health and Safety Management System.

Besides ensuring compliance with local legislation and seeking international certification, the CEMEX HSMS is designed to improve the health and safety of our employees and the reliability and efficiency of the operations through:

- Identifying and reducing risk.
- Strengthening leadership and sharing best practices.

Health and safety policy

We are committed to carrying out our business activities in a safe and efficient way and to protecting the well-being of the people in our facilities and of anyone who could be affected by our activities. The CEMEX Health and Safety Policy guides CEMEX Latam Holdings' leaders in complying with their responsibility to make sure that the well-being of employees is the main priority. The high expectations we have for our leaders are outlined in 14 categories, which include guidelines to prioritize prevention, procedures for monitoring efficiency, and controls designed to eliminate or minimize risks.



- Unifying criteria, speaking the same language, and standardizing procedures and guidelines.

We avoid risks and incidents at the root cause

Continuous improvement demands that we not conform to the obtained results, but rather we always explore new opportunities for improvement and propose innovative solutions to the challenges we identify.

The goal of the Root-Cause Analysis (RCA) methodology is to get to the root cause of every incident in our operations and ask ourselves, from different perspectives, why the event happened. This is in order to design specific action plans to prevent their recurrence.

The continuous implementation of the RCA methodology has been key to identifying the particular safety challenges in our different business units and operation sites. In 2015, for example, we took the collected information into consideration in order to improve signage, roadways, and pedestrian infrastructure within our operations. Furthermore, for different types of machinery we implemented a program for installing automatic blocking locks as well as covers for moving parts that might present a potential injury risk.

We are committed to continuing to implement the methodology needed to carry out a more exhaustive analysis, which will help us avoid incidents from the root cause. The complete chain of



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command is involved in this process. We have weekly reports to inform everyone—from country directors to middle managers—of any safety-related incidents that occurred during the week in any of our operations. Through this constant review process, leaders in the company can understand, learn about, monitor, and take the necessary actions to correct any weaknesses revealed by a given incident.

To try to eliminate incidents caused by human error, at CEMEX Latam Holdings we make a 360-degree observation of our surroundings in order to identify the

five riskiest behaviors, 365 days a year. This behavior-based safety program, the 365 Plus System, is aimed at learning to identify potential risks in detail and train employees to recognize risky behaviors that arise in their day-to-day tasks.

In the 365 Plus System framework, we consolidate the information that comes from different observation processes to define solutions, protect resources, and implement action plans that contribute to correcting risky behaviors. Finally, we monitor the results through management indicators that show performance patterns and the most

viable improvement actions. To improve the results of the program, we continually increase the number of employees that participate in the observation process of the 365 Plus System.

A new focus for communications on safety

As part of our commitment to reinforcing an industrial safety culture, in 2015 we established the goal of developing a communications strategy that makes it easier to adopt safe behaviors.

To accomplish this in Colombia, we carried out an assessment of the perception employees have of the safety standards and the challenges for adopting safe behaviors. Close to 400 operation employees and managers in 25 operations participated in the study.

One of the challenges we identified was the lack of a unified identity in the safety communication efforts, and the corresponding confusion this can cause. One of the initiatives implemented to try to address this issue was to launch a communications campaign aimed at consolidating a culture of safety, centering all communications on a cartoon character, Lucho Segura, who is worried about his own safety and that of his colleagues. This friendly character (whose name is a play on words, since Segura is both a last name and the Spanish word for safe) will be the central element in all our safety communications going forward.

Take 5, stop, and think

In 2015, we launched a safety tool that accompanies all our operation employees, inviting them to take a pause of at least five minutes before they start their workday. This is to observe their surroundings and identify and control potential risks in the tasks they have to perform. The personal workbook Take 5 includes a list of potential risks and serves as a permanent reminder, emphasizing the importance of working safely above everything else.

We invest in training and technology to reduce risks

We carry out various measures to ensure our mixer trucks are in the best possible condition, and we use state-of-the-art technology that contributes to reducing incident risks.

In order to innovate in our mixer fleet, in 2015 we started fitting them with lateral protection barriers; special safety signage; reflective tape; and reverse, blind-spot, travel, and in-cabin safety cameras (the latter two allow the company to identify good driving practices, both when drivers are en route and when they are inside the vehicle).

Our goal goes beyond just improving our operations; we also want to reduce risks in our fleet and promote by example better practices in the industry. It is important to point out that we are extending to our contractors and third parties that are part of our operations the same additional safety measures that we have started installing in our own trucks, with different compliance terms.

Additionally, through our Driving School, we reinforce our defensive driving training, which promotes an attitude of prevention when sitting behind the wheel. We use video sessions to emphasize best practices, and we point out the features we are looking for in our drivers. To design our training courses, we take into consideration the recommendations of the Cement Sustainability Initiative (CSI) for drivers and contractors.



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Satisfied customers

We face the constant challenge of getting to know our customers better and seeing how we can add greater value to their projects. Customer centricity is one of our strategic priorities, and at CEMEX Latam Holdings, we continue to dedicate time and effort toward having a company that is increasingly more focused and better prepared to address market demands.

In 2015, we developed new know-how, capabilities, and processes that allow us to better understand the changing preferences and needs of the different market segments we serve in each of the countries in which we participate.

The CEMEX Latam Holdings Vision is clearly focused on serving our customers

- Listen to our customers, understand their challenges, and provide valuable solutions.
- Build close relationships with our customers, which will set us apart from our competitors.
- Ensure doing business with us is easy and a delight for our customers.
- Fulfill our commitments and solve problems quickly.

Throughout the year, we implemented an internal restructuring in order to bring our sustainable products and technologies closer to our customers in the public and private sectors. In this

way, we continue to take actions that set us apart and allow us to be pioneers in the construction industry, with a more precise focus and with more complete and adequate offers for our customers.

We do not earn the loyalty of our customers by chance but rather by our determination in forging our relationship with them every day. At CEMEX Latam Holdings, we are investing resources to build productive and long-term relationships with our customers, listening to them closely to make sure we understand their needs and that our portfolio of products and solutions responds to their demands with the highest quality.

We continually make an effort to improve service, and we work to identify and implement measures that generate value for customers and efficiently respond to market needs. In 100% of the countries where we operate, we apply surveys to measure service, obtain feedback, and assess our customers' level of satisfaction.

Our success is directly dependent on our customers' success, which means that in all of the markets where we operate, we strive to become the best option.





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We rely on technology to offer better service

The voice of our customers helps us detect improvement opportunities in managing our operation, and provides us with the guidelines to innovate in our products, services, and solutions. Correspondingly, in 2015 we strengthened our communication channels, such as the Service Center, which handles the majority of petitions and concerns.

By placing a call to our Regional Service Center or by visiting our internet customer service platforms, customers can place an order, report a payment, generate account statements, view the details of invoices, produce reports on consumption, ask for certificates, or rate customer service.

Aligned with the company's strategy, the new customer service chat improves their experience by giving them access to a series of services simply by clicking on them.

We also create partnerships to offer our customers better service. The Regional Service Center partnered with Teleperformance, a world-class specialized supplier. With this partnership, CEMEX Latam Holdings can get closer to our customers while still concentrating our efforts on maintaining an optimal operation.

In Colombia, we established an agreement with Bancolombia that allows our customers to use the bank's branches to make down payments or pay their invoices. These payments are then immediately registered in our commercial system. The initiative is the result of conversations between our customers and salesforce, during which we identified the need to speed up the process for applying payments. Working as a team allowed us to quickly and effectively implement a solution that considerably enhances the buying experience.

In order to be in constant contact with our customers, in several markets we have a notification system in place that uses automated SMS text messages to send alerts to our customers whenever a cement or concrete order is ready for delivery. This free service keeps customers updated on the logistics of their project and helps them plan for delivery of materials.

Closer to our customers

With the Enlázate con el Nuevo CEMEX (Get Engaged with the New CEMEX) program, our employees in the corporate offices in Bogotá can get closer to and have a better understanding of the day-to-day operations related to the complete portfolio of commercial initiatives. By scheduling periodic visits to various operations, including Construrama®, CEMEX en su Obra, our cement and aggregates plants, our housing and

We recognize the preference our customers show us and the trust they place in us CEMEX al punto (CEMEX to the point) is our loyalty program that for more than five years has rewarded our customers in Colombia by granting them points based on their level of consumption of our products. Hardware stores, Construrama®, and industrial customers are the main beneficiaries of this program, which allows the exchange of points for products that can be used in business, such as technology devices, marketing materials, and tools, among other things.

infrastructure projects, Bloqueras Solidarias, and our community development initiatives, the Enlázate program offers the administrative staff firsthand experience of the solutions we offer and gives them an opportunity to suggest projects and ideas to innovate and strengthen the operations and performance of our customer service programs.

We want to make sure our commercial portfolio is adequate and well-executed with all our customers. The CEMEX Commercial Academy program consists of multi-annual sessions that strive to strengthen commercial competencies and develop a common sales language through which our salesforce can offer high-quality service while we continue to deploy new products, services, and solutions for the construction industry. As of this date, more than 100 employees have graduated from the academy.

To strengthen our relationship with our customers, we share our knowledge with them. For example, we carry out training sessions through which we are able to give them current information on construction technologies, including

on-site quality control, managing and installing concrete, building concrete pavements, building industrial floors, and using concrete for industrialized systems.

As part of the Cátedra CEMEX (CEMEX Chair) at the Colombian School of Engineering and at Javeriana University, presentations are given to civil engineering and architecture students on modern and innovative solutions for the construction sector. These talks not only help us share knowledge and experience about our products, but also make sure that new generations—those who will soon become the people behind purchasing decisions—are familiar with our brands.



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Responsible suppliers

CEMEX Latam Holdings is a company that manages its supply chain largely in a comprehensive way: the supply of raw materials for our quarries; production in cement, concrete, and mortar plants; distribution of products directly or through our commercial partners; and the use of our products in different building solutions.

+90% of our purchases is from national suppliers.

We are aware that our responsibility toward sustainability is not limited to our production activities, but rather extends to the operations of our suppliers. We address this responsibility by implementing long-term partnerships with suppliers and contractors that encourage mutual development.

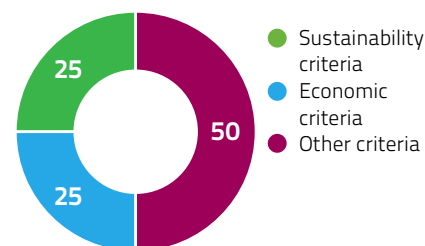
We also implement robust programs that promote the development of a sustainable supply chain, focusing our effort on hiring responsible suppliers and monitoring their performance.

We hire responsible suppliers

At CEMEX Latam Holdings, we apply sustainability criteria when evaluating and selecting our suppliers and contractors. This is the most important step we have taken toward objectively ensuring the development of a supply chain with sustainable practices. The sustainability criteria we have included in our supplier evaluation matrix accounts for 25% of the total weight, which is the same weight we give to the economic proposal. Today, in 100% of the countries where we operate, we use social and environmental criteria in selecting suppliers and contractors.

When we evaluate suppliers, we assign the same value to sustainable performance as we do to the economic proposal.

Supplier evaluation (%)



Supplier evaluation matrix

Sustainability criteria 25%		Economic criteria 25%		Other criteria 25%	
Certification in industrial safety	5%	Economic proposal	25%	Technical proposal	20%
Local supplier	7%			Certifications	10%
Hires local labor force	4%			Experience with related contracts	10%
Environmental certifications	5%			Start and delivery dates	5%
Developing suppliers	4%			Quality certifications	5%

Note: These percentages can vary based on the type of activity and/or service. The table is a general reference.

Adopting a leadership role

The global CEMEX procurement team is an active member of the Group of Advisors of the UN Global Compact on Sustainability in the Supply Chain. It is also part of the supply chain group of the Cement Sustainability Initiative.



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We monitor supplier performance

At CEMEX Latam Holdings, we work to make sure that our supply chain partners share our commitment to sustainability and competitiveness.

In addition, for the suppliers and contractors working within CEMEX Latam Holdings' operations, we have additional evaluation tools. We use audits to measure the degree of compliance with regulations in regards to complying with and delivering benefits, making legal payments, avoiding child labor, and respecting human rights. In order to strengthen the supervision of our suppliers and contractors that operate in the mining zones, we give them a series of requirements that they need to comply with in order to offer their services, all in accordance with labor and environmental regulations.

In building a sustainable supply chain, we also benefit from our partnership with CEMEX. The Global Supplier Sustainability Program promotes the importance of sustainable practices across our supply chain. The program seeks to reinforce the knowledge our suppliers have of our specific human rights, ethics, and environmental policies. It also evaluates suppliers in terms of their social responsibility and labor obligations.

We have three supervision levels to monitor suppliers and contractors in terms of their compliance with the commitments they adopt when working with us

- 1. Before signing a contract:** CEMEX Latam Holdings evaluates potential suppliers through third parties. For example, in Colombia we analyze the profile of potential suppliers not only in terms of their financial situation, but also in regard to compliance with their obligations.
- 2. When the contract is signed:** Suppliers receive the Code of Conduct When Doing Business with Us, which is issued by CEMEX as the governing group. The code requires parties wishing to do business with the company to support and respect internationally proclaimed human rights as they have been defined in our Code of Ethics and in the principles of the Global Compact. As part of our commitment to having safe operations, in our contracts we give every supplier our Industrial Safety Manual.
- 3. During the procurement contract:** CEMEX Latam Holdings supervises suppliers in order to make sure they comply with different obligations. For example, in Colombia we audit suppliers twice a year, not only with respect to their operational, organizational, and financial capabilities, but also to make sure they have not incurred any legal violations and that they comply with the CEMEX Environmental Management System as stipulated by the ISO 14001 standard.





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Engaging and developing the best talent

At CEMEX Latam Holdings, we believe our more than 4,700 employees are the foundation that allows us to continue to be a leading company in building solutions.

We have an extraordinary work team that is renowned in our industry, and we offer each of our employees a competitive value offering, excellent training and development opportunities, and a work environment that allows them to give the best of themselves and maintain a good balance between their professional and personal lives.

Because we are part of an industry that is known for having a labor force made up mainly of men, it is particularly important for us to offer increasingly better opportunities to women and young people in our region. Today, 11% of our workforce are women, and these women perform all types of functions, including some that traditionally have been carried out exclusively by men, such as driving our transportation units and operating machinery and equipment, among others. We also offer programs and work

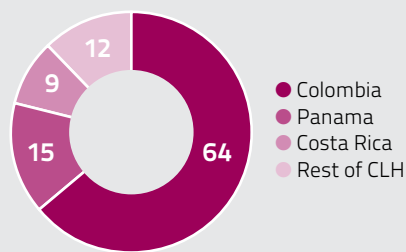


opportunities for young people who have recently graduated from universities and technical schools or are at the start of their professional growth path; today this group constitutes 27% of our workforce.

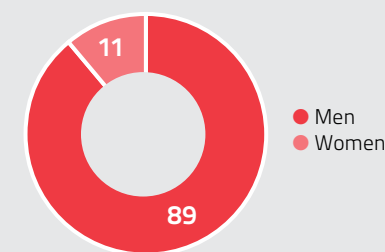
In Colombia, for the past three years our company has been included in the MERCO Index, in the Talent category, which measures the best companies in terms of their ability to attract and retain talent. In 2015, this index ranked CEMEX Colombia 24th among the 100 companies it includes.

4,788 employees make up CEMEX Latam Holdings

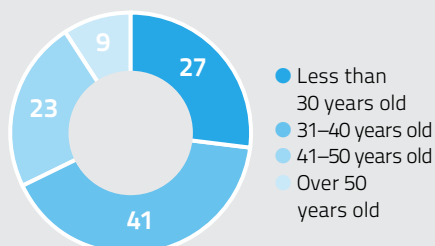
Employees by country (%)



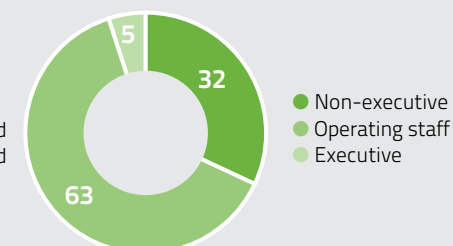
Employees by gender (%)



Employees by age (%)



Employees by type of work (%)



The CEMEX Latam Holdings Vision motivates us to strive for excellence

- Strive for the highest standards in order to be the best in our industry.
- Challenge ourselves to improve and never settle for "good enough".
- Our passion for our work drives us to exceed expectations.
- Develop leaders that inspire, promote excellence, and achieve results.





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Our value offering for employees

In order to attract and retain the best talent, it is not enough to offer competitive economic benefits. We are facing the challenge of having programs that contribute not only to generating commitment and a sense of belonging, but also to satisfying very diverse needs. Correspondingly, innovation and applying the best human resources practices are key to fulfilling expectations and achieving better results for the company.

To face this challenge, at CEMEX Latam Holdings we offer the Más para ti (More for you) platform, which provides our employees with an ongoing dialogue designed to understand their concerns and offer a better work environment, greater professional growth, and a better balance between work and family. During 2015, we incorporated innovations into the platform, including, among other elements, training on compensation for executives and advisers, better communication with our employees, and launching a mobile application to get commercial discounts in a more modern way. We also offer training on different trades that can contribute to improving household economies. This program is geared primarily toward the spouses of our employees.

The five pillars of the Más para ti platform

1. **More time** promotes a work-life balance by offering additional terms beyond those stipulated by law so that employees can carry out personal and family activities. Benefits include time bonuses, the Mothers Programs, and family days, among other things.
2. **More benefits** offers a wide range of benefits to our employees, with emphasis on their well-being and the well-being of their families. We constantly renew our offering in order to remain at the cutting-edge and continue to be competitive in the market.
3. **More environment** promotes family sports activities, talent contests, casual dress codes, volunteering, recognizing seniority in the company, and training programs for families, among other activities.
4. **More growth** offers opportunities for learning and growth at all levels of the organization and includes formal and functional technical study programs, developing managerial skills, graduate studies for the salesforce and plant managers, courses, and language training.
5. **More career** offers access to opportunities for growth. We openly publish all available vacancies within the company, and we combine interest surveys with talent-planning processes to evaluate the performance of our employees, reward meritocracy, and identify future company leaders.





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Our employees are highly committed

Our employees are our best source of information on the work environment, and we listen to their opinion in order to be able to make better decisions.

In 2015, we initiated the engagement survey, which is taken every two years in order to measure our employees' concerns and their opinion on key issues such as commitment, pride, satisfaction, quality, empowerment, and training. On this occasion, we measured two additional indexes: effectiveness in leadership, and health and safety, with good results. Close to 80% of our employees participated in the survey, placing above the response level in 2013.

Our employee engagement index—which measures pride, satisfaction, and commitment—is 84%, above the score obtained in 2013.

Besides having obtained high participation levels, the good score obtained indicates to us that the measures we have implemented over the past two years, including conversations with the management team, improvements to the customer service strategy, and strengthening teamwork through sports and well-being activities, among others, have rendered good results. In 2016, based on the results obtained, we will implement new programs to offer

an increasingly more pleasant work environment in which CEMEX Latam Holdings' employees are able to reach their potential.

Training for growth

The training we offer has the double purpose of giving our employees the knowledge they require in order to advance their career and of ensuring that at CEMEX Latam Holdings we have the capabilities we need to make our strategy more effective. This year we increased the average number of training hours per employee, a task we reinforce with different communication, productivity, and engagement tools.

Our employees have access to the online training courses that CEMEX offers globally through the CEMEX Shift platform. This helps them share experiences, information, and courses with their counterparts in different countries. Through this platform, we develop initiatives that generate value, openness, experience, and growth. We

have also developed programs in the countries included in our region that respond more specifically to local needs. In Colombia, for example, UNICEMEX is particularly relevant. Through it we offer courses, workshops, and conferences on issues such as effective negotiations and presentations, teamwork, and emotional intelligence.

In 2015, our employees received an average of 48 hours of training.





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Initiatives to promote growth

We are certain that continuous improvement goes hand-in-hand with feedback and recognition, and this is why 100% of our employees receive an annual performance review that helps them identify their achievements, plan their future growth, and be successful by counting on the comprehensive support and professional orientation of their immediate supervisors.

At CEMEX Latam Holdings, we offer our employees several programs focused on developing skills. The ACHIEVE program, designed for mid-management, strengthens teamwork and leadership capabilities by getting all the CEMEX

leaders all over the world together to develop customer-centered ideas. The objective behind the Managers Program, in which the executive team participates, is to strengthen leadership capabilities in order to efficiently manage performance and development in the employees under them, apply effective feedback techniques, and prepare their successors.

In order to strengthen the implementation of our company's values, manage talent, and apply our value proposal, we have the Leadership Recognition Program, which strives to offer feedback to leaders and recognition to those individuals, departments, and operations that have the best practices and performance.

The Career Building initiative, on the other hand, offers our employees the chance to take control of their own career growth through four key conversations during the year. In the first conversation, personal goals are aligned with the company's strategy so that the sum of personal performance makes a contribution to reaching the goals of the company. The second one generates a Comprehensive Growth Plan and invites employees to work toward accomplishing their established goals by updating their own course of study and implementing measures for personal growth. The third conversation reviews performance and the progress made in reaching midterm goals. Finally, the fourth conversation closes the cycle by offering feedback and evaluating individual performance as well

as the performance of the teams and supervisors.

The Mano a Mano (Hand in Hand) program, opens a direct channel of communication between our operating staff and members of CEMEX Latam Holdings' management committee, with whom they share a workday.

The conversations viewed up close



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Strengthening ethics, compliance, and transparency

At CEMEX Latam Holdings, we strive for excellence in current and future performance while at the same time contributing to regional growth by offering building solutions that generate well-being for people.

We endorse this commitment to a solid corporate governance that contemplates international best practices, strict behavioral ethical standards, and respect for human rights at all times.

The CEMEX Vision invites us to act with integrity

- Live up to our commitments, and do what we say we'll do.
- Act with honesty and transparency in all our relationships.
- Do the right thing in compliance with our Code of Ethics.
- Care for our people, our communities, and our natural resources.

Corporate governance

CEMEX Latam Holdings S.A. (CLH) was organized and incorporated in Spain on April 2012 as a capital stock corporation (sociedad anónima). Its shares were listed on the Colombian Stock Exchange in November of the same year. Since it is a Spanish company, CEMEX Latam Holdings is governed mainly by the Royal Legislative Decree (Ley de Sociedades de Capital), as well as by the provisions of its bylaws, the regulations of the General Shareholders' Meeting and the Board of Directors, and other internal regulations duly approved by the competent Company bodies.

The CEMEX Latam Holdings Board of Directors is made up of nine directors, of whom three are independent as defined by the applicable legislation and best practices in Spanish and Colombian corporate governance. The executive team is made up of the Chairman of the Board of Directors, the Chief Executive Officer, and six country directors. From October 2012 to December 2015, Jaime Elizondo held the post of Chairman of the Board of Directors; since the start of 2016, Jaime Muguero has occupied that position. The Chief Executive Officer is Carlos Jacks.

[Good Corporate Governance Code](#)
[Board of Directors](#)
[Management Team](#)

Given that CEMEX Latam Holdings is a Spanish entity listed on the Colombian stock exchange but not in Spain, it is not required to comply with Spanish regulations related to corporate governance that are applicable to companies listed on the Spanish stock exchanges, nor is it subject to the same best practice provisions applicable to Colombian issuers whose shares are listed on the Colombian Stock Exchange. CEMEX Latam Holdings has decided, however, to voluntarily comply with some of the best practices provisions contained in the former Unified Spanish Corporate Governance Code. It has also decided to comply with the same practices included in the current Spanish Corporate Governance Code, as well as with best practice provisions applicable to Colombian issuers.

Ever since it was listed, CEMEX Latam Holdings has aligned its good corporate governance system to these best practices. Furthermore, CEMEX Latam Holdings upholds the highest corporate governance standards because CEMEX, S.A.B. de C.V.—its parent company—complies with the Sarbanes-Oxley Act (SOX), the regulations of the New York Stock Exchange (NYSE), and the Mexican Stock Exchange (BMV).

The CEMEX Latam Holdings Board of Directors includes a Corporate Governance Commission, which carries out numerous functions and has several capabilities, including:

- Promote the corporate governance strategy.
- Supervise compliance with internal codes of conduct and the company's corporate governance rules.
- Review the corporate social responsibility policy of the company, making sure it is geared toward creating value.
- Understand, promote, guide, and supervise the company's performance in terms of corporate reputation, and inform the Board of Directors on this.
- Periodically review the internal regulations of the company, with special emphasis on compliance with corporate governance policies; propose to the Board of Directors—for them to first approve and then send to the General Shareholders' Meeting—modifications and updates that contribute to growth and continuous improvement.
- To share the information, prior to its approval, on the company's corporate governance in the annual report and the Country Code-Colombia survey

[Annual corporate governance report](#)
[Country Code - Colombia Survey](#)



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Relationship with CEMEX

At CEMEX Latam Holdings, we have the support of one of the world's leading building materials companies. CEMEX is one of the largest cement companies in the world, based on its installed cement production capacity; it is also the largest ready-mix concrete company, and one of the largest aggregates companies. In addition, CEMEX is one of the largest marketers of cement and clinker.

Access to CEMEX's breadth of experience and its exposure to multiple sectors allows us to benefit from best practices, technologies, and know-how in production techniques, marketing, and sales strategies. With these benefits, we are not only able to implement programs aimed at increasing sales, but also we can reduce production costs with new techniques such as the adoption of alternative fuel sources.

We also capitalize on our relationship with CEMEX by capturing synergies and exploiting any cross-selling opportunities, which can result, for example, from CEMEX's global building materials trading network or the strong brand recognition it has in the relevant industries. Our relationship with CEMEX is governed by a Framework Agreement, a management support services agreement, and a brand license agreement. With an average of more than 20 years of experience at CEMEX, we have a highly experienced senior management team that has been working together for many years.

This continuity has helped establish long-standing relationships and loyalty with customers. Our management team has proven industry experience of successfully steering the company through different economic environment cycles and of acquiring and integrating related businesses and assets.

[Relationship with CEMEX](#)

Code of Ethics and Conduct

To comply with the best practices in corporate governance, on October 4, 2012, CEMEX Latam Holdings formally adhered to the Code of Ethics and Business Conduct that rules over the CEMEX group that was updated during 2014 and to which CEMEX Latam Holdings also adheres to. All executives and employees in the company sign this agreement to acknowledge that they understand and accept the conditions and agree to comply with them. However, the Code of Ethics was already being applied at all the companies, business units, and operations that became part of CEMEX Latam Holdings on July 1, 2012.

The Code of Ethics is the backbone on which we strive to ensure that all of CEMEX Latam Holdings' employees understand and share the same values and behavioral standards in our operations and in our interactions with our stakeholders. Inspired by our fundamental values of collaboration, integrity, and leadership, the code helps us guarantee transparency in all our activities in all our operations; strictly comply with the laws, regulations, and



company bylaws; and strengthen the trust of our employees, customers, investors, suppliers, and communities.

All our employees have access to our Code of Ethics through our intranet and our website. New employees are asked to sign the Code of Ethics as part of their orientation and hiring process, thus stating their commitment from the very beginning. The Code of Ethics and Conduct also incorporates requirements of the Sarbanes-Oxley law, including:

- A work team that makes sure the company complies with the laws and regulations that affect our business, applies best practices, and generates proposals for improvement.
- A system that channels relevant information to the executive officers in a timely manner.
- ETHOSline, a system to anonymously and confidentially report violations related to ethical behavior.

All of CEMEX Latam Holdings' employees, without exception and regardless of their circumstances, are obligated to respect the law, the Code of Ethics and Conduct, the institutional

corporate policies, and other internal bylaws. To ensure communication, knowledge, updating, and compliance with these policies, as well as reinforcing compliance with the law and the ethical behavior of all employees, we carry out periodic communication and training campaigns. We perform internal audits to verify compliance in issues dealing with antitrust and bribery, among others.

CEMEX Latam Holdings carries out a continuous effort to offer the market and its customers and suppliers greater transparency in all hiring processes.

[Code of Ethics and Conduct](#)



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In January 2013, CEMEX Latam Holdings' Board of Directors approved the adoption of several policies that are applied globally at CEMEX on the following issues:

Anticorruption

The objective of the policy is to avoid or prevent employees from performing corrupt acts, either actively or passively, in order to obtain a favor or benefit from public officials. The policy includes local laws, the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act 2010.

Information retention

The objective of this policy is to protect information, which is viewed as a highly valuable asset. This norm establishes the periods during which information needs to be saved, based on the applicable regulations in each of the countries or regions, and when it can be destroyed.

Defending free competition

The objective of this policy is to defend at all times the competition regulations in force in the countries where CEMEX Latam Holdings operates, and to avoid participating in, be it consciously or involuntarily, practices that represent collusion agreements, abusing a potentially dominating position, or any other type of acts that could artificially alter free competition in these markets.

Use of privileged information

The objective of this policy is to respect and comply with the applicable regulations in the financial and stock markets. In particular, this policy seeks to prevent CEMEX Latam Holdings' employees and people related with the company from benefiting from information obtained while performing their jobs.



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Reporting line and ethics committees

It is the responsibility of all CEMEX Latam Holdings' employees to know, comply with, and protect compliance with the Code of Ethics and Business Conduct and additional internal bylaws. Any concerns with respect to the legal or ethical determination of a given situation or compliance with regulation need to be reported to the corresponding authority within the organization. For that purpose, all of CEMEX Latam Holdings' employees have a safe channel and space to turn to. ETHOSline helps our employees integrate ethics and regulations into their daily work, with an effective, safe, and confidential tool through which they can send comments, make suggestions or observations, ask for advice, or report and send evidence, if need be, about incorrect behaviors within the organization. The tool, which can also be used by external people, is available 24 hours a day, seven days a week, through the ETHOSline website, or by phone or email.

ETHOSline

[Get to know ETHOSline](#)

Repercussions against any employee who in good faith denounces a problem or violation are expressly and strictly prohibited. ETHOSline is managed by an external supplier who, among other things, collects and adequately



documents information on the case and communicates that information to the corresponding authorities within the organization. Additionally, to submit a report, CEMEX Latam Holdings' employees can talk directly to their superior, the head of human resources, the legal department, the ethics committees that have been created in the different countries or regions, or with the Audit Committee of the Board of Directors. The Director for Internal Audit periodically informs the members of the Audit Committee about the issues related to these mechanisms.

CEMEX Latam Holdings has several ethics committees, each of which is made up of a minimum of four members in each country plus one manager. The ethics

committees are independent bodies from the Board of Directors and are under a mandate to manage issues relating to correct behavior within the company and to oversee compliance with the organization's values. This responsibility includes solving ethical dilemmas and addressing questions posed by employees on issues relating to possible conflicts of interest or in the framework of the Code of Ethics and Business Conduct, as well as managing, and if need be, solving cases pertaining to possible violations. All reports are fully investigated, and when proven violations to the code are found, corresponding disciplinary measures are taken, which can range from just a written warning to firing the person involved, and could include other legal actions,

too, depending on the type and gravity of the violation. The activities of these committees are confidential, and their decisions are mandatory.

In 2015, the Ethics Committee received 86 reports for which we carried out preventive consultations concerning potential violations of the Code of Ethics. A total of 73 reports were solved during the year.



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Respect for human rights

At CEMEX Latam Holdings, we make sure we follow behaviors that respect human rights in our operations, particularly in terms of employees, contractors, and third parties that are part of our production chain. CEMEX Latam Holdings has included the global CEMEX Human Rights Policy Statement, based on the three pillars of the guiding principles of the UN: protect, respect, and solve. The commitment goes beyond the labor laws and activities it develops or those in which CEMEX Latam Holdings participates, as the company rejects and prohibits any form of discrimination and contributes, in as much as possible, to respecting economic, social, and cultural rights for human dignity and the freedom of every person to grow in their own terms. We work hard to maintain a positive work environment, free of practices such as harassment, intimidation, and discrimination. Consequently, the corresponding internal authorities, and in particular the ethics committees, ensure compliance with the Code of Ethics and Conduct—which includes a specific chapter on regulating behaviors dealing with human rights—through the objective and opportune definitions of actions that give due answer to reports of possible conflicts of interest, abuses, or other behaviors that go against our core values.

Commitment to the United Nations Global Compact

Currently CEMEX, as an international group, is a signatory of the UN Global Compact. At CEMEX Latam Holdings, incorporating the Global Compact is a decision that is managed locally in each of the countries where we operate. For example, the Director for CEMEX Colombia, where our largest operation is located, has since 2012 strengthened the obligation to respect human rights by renewing the commitment of CEMEX Colombia as a signatory of the Global Compact, a strategic initiative to help companies commit to aligning their operations with 10 universally accepted principles in the areas of human rights, labor, the environment, and anticorruption.

Promoting diversity. We prohibit any type of discrimination, including but not limited to race, creed, gender, social status, political affiliation, and age.

At CEMEX Latam Holdings' operations, we have people of different origins and nationalities. Even so, we promote local growth in the areas surrounding our operations by hiring local human capital. To date, approximately 65% of senior management positions are held by people from the local community.

As a predominantly male industry, it is a priority for us to create opportunities for women and to welcome them into our team. At year-end 2015, women accounted for 11% of CEMEX Latam Holdings' workforce. Also, over the past few years, we have had a considerable increase in the number of employees who are younger than 30 years old.

Our surveys have helped us detect the concerns of the newer generations, and in response we have implemented programs to satisfy expectations and review the conditions needed for successful sharing between different generations.

Encouraging employee communication.

We sincerely encourage employee participation, and we offer different options to listen to them, enable the exchange of opinions, and involve them in the decision-making process. Through collective negotiations, meetings with the Board of Directors, department meetings, surveys, ETHOSline, open dialogue, and consultation meetings, we seek to listen continually to the voices of our employees and to improve our operations.

Work-life balance. CEMEX Latam Holdings' operations are regulated by policies that guide our employees in terms of working overtime. We comply with the laws regulating the maximum overtime allowed, and we have attendance control systems and processes in place to monitor overtime.

Additionally, through our Más para ti program we promote new initiatives that contribute to work-life balance. Besides those benefits stipulated in the law, this program offers opportunities for carrying out personal and family activities. Among other examples, it is worth mentioning that we offer extra vacation days or a half-day off on an employee's birthday, a day off for moving and special workdays, family activities in recreational centers, flexible hours for mothers with children under the age of four, and sponsorships for sports-related activities.

Freedom of association. At CEMEX Latam Holdings, we recognize, support, and respect the right of every worker in our operations to belong to a union, as long as their activities are legal and do not interfere with the employee's obligations or responsibilities. We also collaborate with our employees in collective-bargaining processes and periodic meetings between workers and union heads or different divisions, and through one-on-one meetings with employees. Approximately 75% of our workers are represented by a union or are covered by a collective-bargaining contract.



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Equal opportunity and fair compensation. We offer our employees the opportunity to ask to be considered for job postings within the company.

We encourage candidates to participate in the process to fill job vacancies through several means, including open invitations, internal selection, references from other employees, databases from local universities, job search websites, and communications media.

Hiring and promotion decisions are made by strictly taking into consideration the talent of the people who apply to fill a

given vacancy. Through supervisors, department heads, the human resources division, and other ways, we encourage our employees to seek opportunities for growth and professional development. Additionally, at CEMEX Latam Holdings, we promote the professional development of our employees by offering them the tools they need to reach their professional goals, which in turn contributes to the continuous improvement of the company in several aspects.

CEMEX Latam Holdings' compensation packages are based on the level of responsibility of the post and other objective elements, and are designed to take into consideration the labor market and competition for attracting and retaining talent. For this, we use as a reference, among other things, professional and independent surveys

prepared by third parties or the available information relating to wages at comparable companies.

Child labor. We are fully committed to respecting and complying with all regulations dealing with child labor in every country where we operate. We do not tolerate child labor for any person or process related to our business, and among other assurances, we demand to see a government-issued ID as part of our selection and hiring process.

Forced labor and safe work environment. At CEMEX Latam Holdings, we do not require anyone to perform tasks against their will or that are detrimental to their health or well-being. Our operations comply with all local regulations, and we offer cutting-edge health and safety programs through

which we strive to prevent, or at the very least minimize, the risks and dangers associated with the workplace. At the same time, we work to create awareness among our suppliers, contractors, and other employees about the safety practices and healthy life inside and outside the workplace. All our employees are free to leave the company at any time, and we never offer any benefit as leverage to force labor. ∞



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Our performance in detail

Lead in sustainable construction	2013	2014	2015
Production covered with CEMEX CO ₂ Footprint Tool, cement, ready-mix and aggregates (%)	100	100	100
Sites covered with CEMEX CO ₂ Footprint Tool, cement, ready-mix, aggregates (%)	100	100	100

Resilient and efficient building solutions	2013	2014	2015
Affordable and/or resource-efficient buildings where CLH is involved (#)	6,202	1,835	749
Affordable and/or resource-efficient buildings where CLH is involved (million m ²)	-	0.087	0.046
Installed concrete pavement area (million m ²)	0.41	0.85	0.74
Green building projects under certification where CLH is involved (million m ²)	-	0.20	0.97
Annual ready-mix sales derived from products with outstanding sustainable attributes (%)	52	40	36

Strengthen local communities (accumulated data) - EC8	2013	2014	2015
Families participating in Patrimonio Hoy (#)	25,976	26,346	28,091
Individuals benefited from Patrimonio Hoy (#)	104,921	104,973	112,190
Square meters built by Patrimonio Hoy	132,087	148,104	166,636
Families participating in ConstruyaPoyo and Bloqueras Solidarias (#)	820	1,460	1,978
Families participating within all social initiatives (#)	26,796	28,331	31,107
Individuals benefited from our social and inclusive business initiatives (#)	108,132	112,795	124,102

Environmental management	2013	2014	2015
Sites with CLH Environmental Management System implemented (%) - SO1	26	37	38
Cement	100	90	100
Ready-mix	15	25	24
Aggregates	38	43	43
Sites with ISO 14001 Certification (#)	6	9	9
Sites with ISO 14001 Certification (%)	10	13	13
Major environmental incidents - Category 1 (#)	0	0	0
Moderate environmental incidents - Category 2 (#)	87	21	7
Minor environmental incidents - Category 3 (#)	-	49	51
Environmental non-compliance cases (#)	2	13	16

Carbon strategy	2013	2014	2015
Absolute gross CO ₂ emissions (million ton) - EN15	3.8	4.0	4.0
Absolute net CO ₂ emissions (million ton)	3.6	3.8	3.9
Specific gross CO ₂ emissions (kg CO ₂ /metric ton of cementitious product) - EN18, EN19	610	581	609
Specific net CO ₂ emissions (kg CO ₂ /metric ton of cementitious product)	576	549	579
Thermal energy efficiency of clinker production (MJ/ton clinker)	3,754	3,681	3,755

Fuel mix (%)	2013	2014	2015
Total alternative fuels rate - EN3	23.1	22.4	19.2
Coal	29.5	30.1	36.0
Petroleum coke	47.1	47.3	44.6
Fuel oil	0.3	0.2	0.1
Natural gas	0.0	0.0	0.0

Alternative fuels rate (%)	2013	2014	2015
Alternative fossil fuels rate	15.8	16.1	14.2
Biomass fuels rate	7.3	6.3	5.0

Waste types used as alternative fuels (%)	2013	2014	2015
Industrial and household waste	68.4	71.9	73.9
Tires	0.0	0.0	0.0
Animal meal	0.0	0.0	0.0
Agricultural organic waste	17.2	17.9	14.3
Other biomass	14.4	10.1	11.8

Other carbon strategy indicators	2013	2014	2015
Alternative raw material rate (%)	-	1.7	1.3
Sustainable raw material rate (%)	-	6.9	6.4
Clinker/Cement factor (%)	70.8	68.5	70.1
Indirect energy consumption (GWh) - EN3	628.6	659	652
Specific energy consumption, cement (kWh/ton)	100.5	96	98
Specific energy consumption, ready-mix concrete (kWh/m ³)	3.8	3.1	4.1
Specific energy consumption, aggregates (kWh/ton)	2.2	2.4	1.5
Direct energy consumption (TJ) - EN3	16,909	17,304	17,672



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Air quality	2013	2014	2015
Clinker produced with continuous monitoring of major emissions (dust, NO _x and SO _x) (%)	91	92	92
Clinker produced with monitoring of major and minor emissions (dust, NO _x , SO _x , Hg, Cd, Tl, VOC, PCDD/F) (%)	49	48	48
Absolute dust emissions (ton/year)	-	724	543
Specific dust emissions (g/ton clinker) - EN21	-	156	116
Absolute NO _x emissions (ton/year)	-	4,522	5,598
Specific NO _x emissions (g/ton clinker) - EN21	-	975	1,197
Absolute SO _x emissions (ton/year)	-	5,640	5,598
Specific SO _x emissions (g/ton clinker) - EN21	-	1,216	1,197

Waste management	2013	2014	2015
Hazardous waste disposal (ton)	195	178	125
Cement	113	120	112
Ready-mix	80	54	6
Aggregates	1	5	8
Others	-	-	-
Non-hazardous waste disposal (ton)	2,655	-	1,622
Cement	1,014	878	881
Ready-mix	1,579	-	727
Aggregates	63	47	13
Others	-	-	1
Volume of returned ready-mix from total delivered (%)	0.34	0.42	0.40
Volume of returned ready-mix from total delivered (m ³)	10,538	15,131	12,131

Biodiversity management	2013	2014	2015
Active sites with quarry rehabilitation plans (%)	100	91	85
Cement	100	87	81
Aggregates	100	100	100
Active quarries within or adjacent to high biodiversity value areas (#)	2	2	4
Cement	2	2	4
Aggregates	0	0	0
Active sites with high biodiversity value where biodiversity action plans are actively implemented (%)	0	0	50
Cement	0	0	50
Aggregates	0	0	0

Water management	2013	2014	2015
Total water withdrawals by business unit (million m ³)	2.4	2.5	3.5
Cement	1.8	1.6	2.5
Ready-mix	0.5	0.6	0.6
Aggregates	0.1	0.3	0.4
Total consumption by business unit (million m ³)	2.3	2.2	3.2
Cement	1.8	1.6	2.5
Ready-mix	0.4	0.6	0.5
Aggregates	0.1	0.1	0.1
Total water discharge by business unit (million m ³)	0.1	0.3	0.3
Cement	0.0	0.0	0.01
Ready-mix	0.1	0.1	0.04
Aggregates	0.0	0.2	0.25
Total water withdrawals by source (million m ³)	2.4	2.5	3.5
Surface water	1.4	1.2	2.1
Groundwater	0.6	0.8	0.8
Municipal water	0.3	0.3	0.3
Rainwater	0.0	0.2	0.2
Seawater	0.0	0.0	0.0
Other	0.1	0.1	0.1
Total water discharge by destination (million m ³)	0.1	0.3	0.3
Surface water	0.0	0.3	0.3
Groundwater	0.0	0.0	0.0
Municipal water	0.1	0.0	0.0
Seawater	0.0	0.0	0.0
Other	0.0	0.0	0.0

Specific water consumption			
Cement (l/ton)	279	234	395
Ready-mix (l/m ³)	130	179	173
Aggregates (l/ton)	54	34	80
Sites with water recycling systems (%)	72	71	76
Cement	44	70	73
Ready-mix	75	69	78
Aggregates	100	100	60



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Workforce	2013	2014	2015
Employees - G4-9, G4-10	4,383	4,929	4,788
Colombia	2,636	3,033	3,066
Panama	ND	867	718
Costa Rica	ND	413	409
Rest of CLH	ND	616	595
Female	439	540	550
Male	3,944	4,413	4,238
Under 30	1,183	1,455	1,280
31-40	1,797	1,989	1,977
41-50	1,052	1,115	1,101
51 and over	351	394	430
Less than 1 year in the company	1,140	1,143	708
1-5 years	1,885	2,305	2,649
5-10 years	789	723	893
Over 10 years	570	782	538
Executive positions	219	248	220
Non-executive positions	1,315	1,591	1,539
Operational positions	2,849	3,114	3,029
Male to female wage ratio - LA13	-	93%	97%
Executive positions	-	92%	97%
Non-executive positions	-	95%	91%
Operational positions	-	91%	100%
Employee turnover (#)	-	708	924
Employee hiring (#)	-	1,205	765
Employee covered by a collective bargaining agreement (%) - G4-11	-	74	100
Executive positions covered by locals (%)	-	65	87
Executive positions covered by foreigners (%)	-	35	13
Employees that received feedback and performance assessment (%) - LA11	-	83	100
Average number of training hours provided (#) - LA9	-	10	48
Executive positions	-	6	10
Non-executive positions	-	4	37
Operational positions	-	3	56

Health and safety	2013	2014	2015
Sites with a Health and Safety Management System implemented (%)	97	99	100
Cement	100	100	100
Ready-mix	96	98	100
Aggregates	100	100	100
Sites certified with OHSAS 18001:2007 (%)	0	1.5	7.4
Cement	0	10.0	18.2
Ready-mix	0	0	6
Aggregates	0	0	0
Sites with health professional on-site or external health provider (%)	98	99	96
Compliance with CSI Recommended Practices, Driving Safety (%)	76	76	-
Compliance with CSI Recommended Practices, Contractor Safety (%)	78	78	-
Fatalities (#) - LA6	4	2	0
Employees	0	0	0
Fatality rate, employees (per 10,000 employed)	0	0	0
Contractors	2	1	0
Third-parties	2	1	0
Lost Time Injuries, Employees (#) - LA6	16	8	9
Cement	5	5	2
Ready-mix	10	2	6
Aggregates	1	1	0
Other businesses	0	0	1
Lost Time Injuries, Contractors (#) - LA6	17	8	4
Cement	5	3	0
Ready-mix	6	3	3
Aggregates	1	0	0
Other businesses	5	2	1
Lost Time Injury Frequency Rate, Employees (per million hours worked) - LA6	1.5	0.77	0.64
Cement	1	0.3	0.6
Ready-mix	3	0.9	1.3
Aggregates	2	3.3	0.0
Other businesses	0	0.4	0.2
Sickness Absence Rate (%) - LA6	2	0.2	0.7



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About this report

Reporting history and cycle

This is the third CEMEX Latam Holdings Sustainable Development Report. It describes our strategy and Sustainability Model in detail and includes our most relevant programs and the results we obtained in 2015, covering a wide range of environmental, social, and corporate governance issues.

CEMEX globally has been publishing Sustainable Development Reports annually since 2003. For more information, please visit www.cemex.com. CEMEX Colombia, which is part of CEMEX Latam Holdings' operations, has been publishing Sustainable Development Reports since 2011. To view them, please visit www.cemexcolombia.com.

Applying the GRI guidelines

In preparing this report, we used the Sustainability Reporting Guidelines of the Global Reporting Initiative—a useful tool for monitoring the management and performance of organizations in terms of their sustainability. We used the G4 version, opting for the “in accordance” core option. For more information on the GRI guidelines, please visit www.globalreporting.org. In the GRI G4 Content Index enclosed with this report, we have indicated page numbers where related content is located.

Boundary and reporting period

This report covers the CEMEX Latam Holdings' cement, concrete, and aggregates operations and presents the information on our performance, progress, achievements, and challenges for calendar year 2015, which also corresponds to the company's fiscal year. 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. The issues included in this report were established based on a materiality analysis carried out by CEMEX S.A.B. de C.V. Among these issues, we have focused in particular on matters of greater relevance for our stakeholders an CEMEX Latam Holdings' management. The main issues are reflected in our Sustainability Model.

Protocols and techniques for collecting information

The information we used in this report comes from different sources, and we took into consideration the guidelines for collecting data established by our partner CEMEX, including internal management systems, databases, performance questionnaires, and interviews with executive officers. For this report, CEMEX Latam Holdings used the same protocols and techniques for measuring the data in the key performance indicators that CEMEX reports globally, particularly the protocols of the Cement Sustainability Initiative of the World Business Council for Sustainable Development (WBCSD/CSI), as well as the GRI G4 Guidelines.

Data-measuring techniques

We employ the following protocols for measuring the key performance indicator (KPI) data that we report: All monetary amounts are reported in U.S. dollars. All references to “tons” are metric tons.

CO₂ Emissions:

CEMEX Latam Holdings reports CO₂ emissions following the latest version of the CSI Protocol known as Cement CO₂ and Cement Energy Protocol, version 3.1, published in 2011. As defined in the protocol, we consider direct emissions to be those occurring from sources that are owned or controlled by the company, excluding CO₂ emissions from biomass fuels, which are reported separately; indirect emissions are from the generation of purchased electricity consumed in the company's owned or controlled equipment.

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 and Cement Energy protocol spreadsheet. Heat values are obtained from on-site analysis, from values provided by the supplier, or from standard values from the CSI Guidelines.

Dust, NO_x, and SO_x emissions

Figures are calculated based on kiln emission measurements taken from Continuous Emissions Monitoring Systems or from spot analyses. These methods fully comply with the CSI Guidelines. All the information is taken from the CEMEX databases. The values are calculated in Standard for 0°C, 1 atmosphere, and 10% Oxygen (O₂) content at measuring point.

Clinker factor and alternative fuels

All consumptions of materials are reported to internal CEMEX databases that define “alternative materials” following the standards from the CSI Guidelines document. The clinker factor is calculated using procedures detailed in the CSI Cement CO₂ protocol spreadsheet.

Safety

Through an internal database, CEMEX collects all the related safety information from each site, which automatically provides the appropriate information needed to calculate the indicators. The database is configured using the WBCSD/CSI definitions.

We welcome your feedback on our sustainability reporting and performance.

Please contact us or send your comments and suggestions to:

CEMEX Latam Holdings

Sustainable Development, Communication, and Corporate Affairs Division
Calle 99 No. 9A- 54 8th Floor
Bogotá, Colombia
Phone: + 57 (1) 603 9000





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GENERAL STANDARD DISCLOSURES			Page Reference or Disclosure	SDG Link	UNGC
Strategy and analysis					
G4-1	Statement from the most senior decision-maker of the organization.	p.4 - Message from the Chairman of the Board of Directors and the Chief Executive Officer			
G4-2	Description of key impacts, risks, and opportunities.	p.9 - Materiality analysis			
Organizational profile					
G4-3	Name of the organization.	CEMEX Latam Holdings, S.A.			
G4-4	Primary brands, products, and services.	p.6 - Business strategy p.16 - Portfolio of products, services and solutions			
G4-5	Location of headquarters.	Calle Hernández de Tejada 1, CP 28027 Madrid, Spain			
G4-6	Number and names of countries where the organization operates.	p.6 - Business strategy			
G4-7	Nature of ownership and legal form.	Corporate Structure: http://cemexlatam.com/InvestorCenter/CorporateStructure.aspx			
G4-8	Markets served.	p.6 - Business strategy			
G4-9	Scale of the organization.	p.6 - Business strategy p.72 - Our performance in detail: Total number of employees			
G4-10	Employees by employment contract, region and gender.	p.72 - Our performance in detail: Total number of employees	8	6	
G4-11	Employees covered by collective bargaining agreements.	p.72 - Our performance in detail: Total number of employees	8	3	
G4-12	Organization's supply chain.	p.7 - CEMEX Latam Holdings Operations p.8 - Operations and sustainability issues across the production chain			
G4-13	Significant changes during the reporting period.	There are no significant changes.			
G4-14	Precautionary approach or principle is addressed by the organization.	<p>We have analyzed the environmental impact for our material aspects.</p> <p>p.9 Materiality analysis</p> <p>We have a wide portfolio of analysis and risk management tools across our operations.</p> <p>p.14 - Sustainability managing tools</p> <p>p.43 - Robust management: the first step toward reaching our goals</p> <p>p.53 - Placing health and safety first</p> <p>Position Papers on Climate Change: http://www.cemex.com/AboutUs/PositionPapers.aspx</p> <p>We do research during the development stages of our products, and we make available to all our customers key information about our products, including: key features, applications, safety precautions, information on how to use them, information on how to store them, components, contents, and other information. To see an example of this information visit: www.cemexcolombia.com/SolucionesConstructor/files/Usogeneral.pdf</p>			
G4-15	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes.	CEMEX Colombia, is a signatory of the United Nations Global Compact. For more information, see www.unglobalcompact.org . Our partner CEMEX is a founding member of the Cement Sustainability Initiative, a voluntary sector project of the World Business Council for Sustainable Development (WBCSD) established in 1999, and adheres to the Cement Sustainability Initiative's protocol for measuring emissions. For more information, see www.wbcscement.org			
G4-16	Memberships of associations and national or international advocacy organizations in which the organization is involved.	p.25 - We promote innovation and developing new practices p.68 - Respect for human rights			



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Identified material aspects and boundaries				
G4-17	Entities included in the organization's consolidated financial statements and those not included.	p.73 - About this report		
G4-18	Process for defining the report content and the Aspect Boundaries.	p.9 - Materiality analysis p.73 - About this report		
G4-19	Material aspects identified in the process for defining report content.	p.9 - Materiality analysis		
G4-20	Aspect boundary for material aspects within the organization.	p.9 - Materiality analysis p.73 - About this report		
G4-21	Aspect boundary for material aspects outside the organization.	p.9 - Materiality analysis p.73 - About this report		
G4-22	Restatements of information provided in previous reports.	No restatements in the information with respect to previous reporting periods.		
G4-23	Significant changes from previous reporting periods.	No significant changes in the scope and boundaries with respect to previous reporting periods.		
Stakeholder engagement				
G4-24	Stakeholder groups engaged by the organization.	Employees, customers, suppliers, analysts, investors, shareholders, community, opinion leaders, government, management, civil society organizations, associations, foundations, universities.		
G4-25	Basis for identification and selection of stakeholders with whom to engage.	p.9 - Materiality analysis The first step is to analyze the issue represented in our materiality matrix, the corporate affairs agendas, the risk agendas, and the strategic business plans. For each issue, we identify what objectives we want to achieve and the expected outcomes so that we can later complete the matrix by including the impact the stakeholder will have in achieving the goal and the chances of establishing a relationship based on the stakeholder's interests and how well they align with our objectives. Once the stakeholders have been mapped and selected, we develop an engagement plan and implement it.		
G4-26	Organization's approach to stakeholder engagement.	p.9 - Materiality analysis		
G4-27	Key topics and concerns that have been raised through stakeholder engagement.	<p>We have structured this report based on the aspects identified as having the greatest materiality. Correspondingly, our Sustainability Model reflects those issues of greatest concern to both our stakeholders and the company. The issues the stakeholders showed the greatest interest in are as follows:</p> <ul style="list-style-type: none"> ▪ Employees: Health and safety; employee relations and engagement; economic value creation. ▪ Customers: Customer relations and satisfaction; products, services, and solutions to improve lifestyle in cities; economic value creation. ▪ Suppliers: Health and safety; economic value creation; and customer relations and satisfaction. ▪ Analysts: Economic value creation; corporate governance and transparency; quarry rehabilitation. ▪ Communities: Economic value creation; climate change and CO₂ emissions; health and safety. ▪ Corporate Governance: Quarry rehabilitation; health and safety; economic value creation. ▪ NGOs/Universities: Quarry rehabilitation; economic value creation; and human rights and business ethics. 		



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Report profile					
G4-28	Reporting period.	2015			
G4-29	Date of most recent previous report.	August 2015			
G4-30	Reporting cycle.	Annual			
G4-31	Contact point.	Sustainable Development, Communications, and Corporate Affairs Division Calle 99 No. 9A- 54 Floor 8, Bogotá, Colombia, Tel: + 57 (1) 603 9000			
G4-32	GRI Content Index and "in accordance" option chosen.	p.74 – Global Reporting Initiative G4 Content index			
G4-33	Organization's policy and current practice with regard to seeking external assurance for the report.	p.73 – About this report The indicators in this report have no external assurance.			
Governance					
G4-34	Governance structure of the organization.	Commissions: http://www.cemexlatam.com/InvestorCenter/Committees.aspx			
Ethics and integrity					
G4-56	Organization's values, principles, standards, and norms of behavior.	p.14 – Sustainability managing tools Our vision: http://www.cemexlatam.com/AboutUs/OurVision.aspx	16	10	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity.	p.65 – Code of Ethics and Business Conduct p.67 – Reporting line and ethics committees	16	10	
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity.	p.65 – Code of Ethics and Business Conduct p.67 – Reporting line and ethics committees	16	10	
SPECIFIC STANDARD DISCLOSURES			Page Reference or Disclosure	SDG Link	UNGC
Category: Economic					
Material Aspect: Economic performance					
G4-DMA	Disclosures on management approach.	p.6 – Business strategy p.14 – Sustainability managing tools			7
G4-EC1	Direct economic value generated and distributed.	p.6 – Business strategy Customers: Net sales (excluding assets sales) US\$1.427 billion Suppliers: Cost of sales and operating expenses: US\$1.062 billion Investments: Capital expenditures: US\$152 million Free cash flow: US\$105 million	2,5,7,8,9		
G4-EC4	Financial assistance received from governments.	No significant financial assistance was received from any government.			
Material Aspect: Indirect economic impact					
G4-DMA	Disclosures on Management Approach.	p.14 – Sustainability managing tools p.27 – A high-impact social strategy that empowers communities			
G4-EC7	Development and impact of infrastructure investments and services supported.	p.32 – We want to build self-sufficient communities	2,5,7,9,11		9
G4-EC8	Significant indirect economic impacts, including the extent of impacts.	p.70 – Our performance in numbers: Strengthening local communities CEMEX Latam Holdings' indirect economic impacts, particularly those resulting from community initiatives, contribute to goals of the public policy agendas associated with health, affordable housing, education, and environmental sustainability.	1,2,3,8,10,16		



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Category: Environmental					
Material Aspect: Energy					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.43 - Robust management: the first step toward reaching our goals			
G4-EN3	Energy consumption within the organization.	p.70 - Our performance in detail: Alternative fuels rate, indirect energy consumption (GWh), and direct energy consumption (TJ). See the WBCSD's Guidelines for the Selection and Use of Fuels and Raw Materials in Cement Manufacturing: www.wbcsdcement.org/index.php/key-issues/fuels-and-materials/guidelines-for-selection All units are available at Cement CO ₂ and Energy Protocol, Version 3.1, CO ₂ Emissions and Energy Inventory: www.cement-co2-protocol.org/en/		7,8,12,13	7,8
G4-EN4	Energy consumption outside of the organization.	Making cement produces CO ₂ , primarily from sources within the organization: burning fossil fuels and the limestone calcination process. Consequently, energy consumed outside the organization is not an issue on which we center our energy strategy.		7,8,12,13	8
G4-EN7	Reductions in energy requirements of products and services.	We have a series of initiatives and products that produce savings in energy consumption (see p.18). However, we view this information as a confidential aspect of our business strategy.		7,8,12,13	8
Material Aspect: Emissions					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.43 - Robust management: the first step toward reaching our goals p.46 - Optimizing our carbon footprint			
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1).	P.70 - Our performance in detail: Gross absolute emissions of CO ₂ p.73 - Data-measuring techniques p.73 - Protocols and techniques for collecting information For more information, see the CDP Report: www.cdp.net Base year: 1990 following best industry practices (e. g. CSI Protocol).		3,12,13,14,15	7,8
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	p.73 - Data-measuring techniques p.73 - Protocols and techniques for collecting information For more information, see the CDP Report: www.cdp.net Base year: 1990 following best industry practices (e. g. CSI Protocol).		3,12,13,14,15	7,8
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3).	CDP Report: www.cdp.net		3,12,13,14,15	7,8
G4-EN18	Greenhouse gas (GHG) emissions intensity.	P.70 - Our performance in detail: Gross absolute emissions of CO ₂ The GHG emissions included in the intensity ratio: Scope 1 and 2. Scope 1. Gases included: CO ₂ , following the GHG Protocol and the WBCSD CSI Protocol.		13,14,15	8
G4-EN19	Reduction of greenhouse gas (GHG) emissions.	p.70 - Our performance in detail: Gross absolute emissions of CO ₂ p.73 - Protocols and techniques for collecting information Report where the reductions in GHG emissions occurred: Scope 1. Gases included: CO ₂ , following the GHG Protocol and the WBCSD CSI Protocol. Base year: 1990 following best industry practices (e. g. CSI Protocol).		13,14,15	8,9
G4-EN20	Emissions of ozone-depleting substances (ODS).	We do not report this aspect because our business does not create significant emissions of ozone-depleting substances.		3,12	7,8



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SPECIFIC STANDARD DISCLOSURES		Page Reference or Disclosure	SDG Link	UNGC
G4-EN21	NO _x , SO _x , and other significant air emissions.	<p>p.71 Our performance in detail: Air quality CEMEX Latam Holdings reports on the air emissions that the CSI Guidelines for Emissions Monitoring and Reporting in the Cement Industry identifies as the most important from the on-site stationary sources we use in our processes: http://www.wbcsdcement.org/index.php/key-issues/emissions-reduction/guidelines The standards used in the air emissions measurements, depend on the legal requirements in each country. Standards used also depend of the normal procedures used by the external companies performing the spot measurements. In the case of CEMs (Continuous Measurements), the equipment is maintained, operated, and calibrated according with the standards. Standards used for punctual measurements are EPA, ISO, and EN according to the pollutant and the country. In most cases EPA rules are used for sampling and EPA or ISO methods are used for the calculations at laboratory. All data reported in the stack emissions report is measured either continuously or spot.</p>	3,12,14,15	7,8
Material Aspect: Compliance				
G4-DMA	Disclosures on Management Approach.	<p>p.14 - Sustainability managing tools p.43 - Robust management: the first step toward reaching our goals</p>		
G4-EN29	Fines and non-monetary sanctions for non-compliance with environmental laws and regulations	There were no significant fines.		8
Category: Social				
Sub-Category: Labor practices and decent work				
Material Aspect: Employment				
G4-DMA	Disclosures on Management Approach.	<p>p.14 - Sustainability managing tools p.60 - Engaging and developing the best talent</p>		
G4-LA1	New employee hires and employee turnover by age group, gender, and region.	<p>Total number of new employee hires in 2015: 135F, 631M, 765T Under 30 years old: 95F, 296M, 391T / 31 to 40 years old: 35F, 242M, 277T 41 to 50 years old: 4F, 80M, 84T / Over 50 years old: 0F, 13M, 13T Total employee turnover in 2015: 120F, 804M, 924T Under 30 years old: 62F, 237M, 299T / 31 to 40 years old: 48F, 340M, 388T 41 to 50 years old: 10F, 171M, 181T / Over 50 years old: 0F, 56M 56T</p>	5,8	6
Material Aspect: Occupational health and safety				
G4-DMA	Disclosures on Management Approach.	<p>p.14 - Sustainability managing tools p.53 - Placing health and safety first</p>		
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities.	<p>p.72 - Our performance in detail: employees lost time injuries, contractor lost time injuries, fatalities, lost time injury rate, employees (per million hours worked) and absentee rate due to illness. System of rules applied: CSI reporting protocol and internal reporting guidelines. When calculating lost days, we register natural days starting from the first day of absence. Type of employee/contractor injuries: slip; fall from uneven level; hit by moving object; hit by falling object; incidents involving moving vehicles; injured while handling, lifting or carrying; hit against fixed or stationary objects; contact with machinery; fall from a height; trapped by something collapsing; exposed to or contact with a harmful substance; exposed to fire or high temperatures; injured by animal or insect; contact with electricity or electrical discharge; exposed to an explosion; drowned or asphyxiated; others.</p>	3,8	



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Material Aspect: Training and education					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.62 - Training for growth			
G4-LA9	Average hours of training per year.	p.62 - Training for growth p.70 - Performance in detail, average training hours		4,5,8	6
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees.	p.62 - Training for growth Talent development: http://www.cemex.com/SustainableDevelopment/TalentDevelopment.aspx		8	
G4-LA11	Employees receiving regular performance and career development reviews.	p.73 - Our performance in detail: Employees who have received a performance evaluation:		5,8	6
Material Aspect: Diversity and equal opportunity					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-LA12	Composition of governance bodies.	p.64 - Corporate governance Board of directors http://www.cemexlatam.com/InvestorCenter/BoardDirectors.aspx		5,8	6
Material Aspect: Equal remuneration for women and men					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-LA13	Ratio of basic salary and remuneration of women to men.	p.73 - Our performance in detail: Ratio of basic salary and remuneration of women compared to men.		5,8,10	6
Sub-Category: Human rights					
Material Aspect: Investment					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-HR1	Significant investment agreements and contracts that include human rights clauses.	We include a series of clauses in all (100%) contracts, regardless of the investment size. For example, our contracts now require all partners to warrant that they abide and will continue to abide internationally recognized human rights standards, including the Universal Declaration of Human Rights and the ILO's Declaration of Fundamental Principles and Rights of Work.			2
Material Aspect: Non-discrimination					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.64 - Strengthening ethics, compliance, and transparency p.68 - Respect for human rights			
G4-HR3	Incidents of discrimination and corrective actions taken.	There were no discrimination cases.		5,8,16	6
Material Aspect: Freedom of association and collective bargaining					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated.	p.68 - Freedom of association No risks to freedom of association or collective bargaining were identified. Code of Conduct When Doing Business with Us. http://www.cemex.com/Suppliers/CodeOfConduct.aspx At CEMEX Latam Holdings, we recognize, support, and respect the freedom of association of every worker in our operations, as long as their activities are legal and do not interfere with the employee's obligations or responsibilities. We also collaborate with our employees in collective bargaining processes and periodic meetings between workers and union heads or different divisions, and through one-on-one meetings with employees.		8	3



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Material Aspect: Child labor					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor.	p.69 - Child labor No risks of this kind were identified. At CEMEX Latam Holdings, we are fully committed to respecting and complying with all regulations dealing with child labor in every country where we operate. Our company policy is to only hire people who are 18 or older. Our selection and hiring process requires the presentation of government-issued identification, as well as a rigorous investigation of the person's information. This process also extends to our contracted labor suppliers.	8,16	5	
Material Aspect: Forced or compulsory labor					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor.	p.69 - Forced labor and safe work environment At CEMEX Latam Holdings, no one is forced to perform hazardous tasks against their will or tasks that are detrimental to their health or well-being. Our operations 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 at any time, and we do not offer any benefit as a leverage to force labor.	8	4	
Material Aspect: Indigenous rights					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-HR8	Violations involving rights of indigenous peoples.	We are not aware that any violations involving rights of indigenous people have taken place in our operations.	2	1	
Material Aspect: Human rights grievance mechanisms					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-HR12	Grievances about human rights impacts filed, addressed, and resolved.	During 2015, no grievances related to human rights violations were reported through any formal mechanisms. Employees are encouraged to report any potential human rights violations to the Human Resources Department, their unit's Ethics Committee or through our ETHOSline.	16	1	
Sub-Category: Society					
Material Aspect: Local communities					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.28 - How do we manage our social investment strategy? p.68 - Respect for human rights			
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs.	p.29 - We maintain a productive dialogue with our neighbors p.70 - Our performance in detail: Sites that have implemented the CEMEX Environmental Management System Operations that have community engagement plans: 100% Community relations are managed at the country level so that they can be tailored to the particular circumstances of each locale. Before we open, close, or change local operations, we talk with our neighbors in order to improve our mutual understanding of needs and concerns. The Environmental Management System also includes a requirement to consider community concerns when identifying the potential effects of our operations.		1	
G4-SO2	Operations with actual and potential negative impacts on local communities.	There were no reports that we are aware of on significant negative impacts on communities.	1,2	1	



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Material Aspect: Anti-corruption					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.65 - Code of Ethics and Business Conduct p.68 - Respect for human rights			
G4-S05	Confirmed incidents of corruption and actions taken.	There were no corruption cases.		16	10
Material Aspect: Anti-competitive behavior					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Code of Ethics and Business Conduct			
G4-S07	Legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes.	There were no pending or closed suits for causes related to anti-competitive behavior.		16	
Material Aspect: Compliance					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.65 - Code of Ethics and Business Conduct			
G4-S08	Fines and non-monetary sanctions for non-compliance with laws and regulations.	There were no non-monetary sanctions.		16	
Sub-Category: Product responsibility					
Material Aspect: Product and service labeling					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.16 - Portfolio of products, services, and solutions			
G4-PR3	Product and service information and labeling.	The majority of our products are sold in bulk without labeling or packaging. We do research during the development stages of our products, and we make available to all our customers key information about our products, including: key features, applications, safety precautions, information on how to use them, information on how to store them, components, contents, and other information. To see an example of this information visit: www.cemexcolombia.com/SolucionesConstructor/files/UsGeneral.pdf		12	
G4-PR4	Incidents of non-compliance with regulations and voluntary codes concerning labeling.	The company has not identified any non-compliance with regulations and voluntary codes during the reporting year.		16	
G4-PR5	Surveys measuring customer satisfaction.	p.67 - Reporting line and ethics committees			
Material Aspect: Customer privacy					
G4-DMA	Disclosures on Management Approach.	p.14 - Sustainability managing tools p.68 - Respect for human rights			
G4-PR8	Substantiated complaints regarding breaches of customer privacy.	The company has not identified any substantiated complaint during the reporting year.		16	

SDG Link= Sustainable Development Goals

UNGC= United Nations Global Compact