



2013

Sustainable  
Development Report

Building  
solutions

THAT PROMOTE DEVELOPMENT

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## Sustainable Development, Communications, and Corporate Affairs

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**Our cover:** Educational Institute  
La Samaria / Campuzano  
Arquitectos  
Year: 2012  
Location: Pereira, Colombia

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Dear  
reader:

GRI: 1.1,1.2



**Jaime Elizondo**  
Chairman of the Board  
of Directors

**Carlos Jacks**  
Chief Executive Officer

2013 was a great year for CEMEX Latam Holdings. Beyond the fact that we reached solid financial results, we are particularly proud of the work done through our programs that promote development in the countries where we operate, and which support people's well-being.

During 2013, we strengthened and expanded our portfolio of building solutions. Within this context, we worked on various projects through which we were able to contribute to improving access to housing and to strengthening infrastructure throughout the region. In Colombia, for example, we participated in the construction of 6,000 homes, the majority of which were low-income housing; part of a government sponsored 100,000 free-houses program. In Nicaragua we were awarded, along with two other entities, the construction of the first section of the Empalme Nejapa-Puerto Sandino highway, the largest and most advanced highway infrastructure project underway in the country. In Costa Rica, we are supplying 150,000 metric tons of custom-made cement for the construction and expansion of a four-lane, 50-kilometer stretch of highway connecting Cañas to Liberia in the Guanacaste province—a crucial route for Costa Rica's Pacific Corridor. The highway is expected to have a strong effect on the country's competitiveness and on regional and domestic development.

Through our inclusive businesses, we align our values and business goals with the needs of the communities. The results of our flagship social program, *Patrimonio Hoy*, are particularly relevant. This program offers a solution to the growing need for housing by giving low-income families access to microcredit for buying high-quality

In just three years, on a pro forma basis, we essentially doubled our operating EBITDA, to US\$633 million.

construction materials, and by offering professional advice during the construction phase. Since the program started operating in 2005, more than 100,000 people in the region have built or improved their homes. In order to make this program available to more families, we have started linking *Patrimonio Hoy* with the Construrama® stores, which will help us improve access to affordable housing in the countries in which we operate.

With our Productive Centers of Self-Employment, we help families in extreme poverty take an active role in their own development by means of a self-employment program through which they manufacture concrete blocks that can later be used to build or improve their homes. By using the operating model of the financially sustainable Productive Centers of Self-Employment, we were able to grow the program considerably during 2013, opening the first two Costa Rican centers, and laying the foundations to open the first Nicaraguan center during 2014. These centers are in addition to the 10 that have been established in Colombia since 2008.

As part of our commitment to promoting the development of basic capabilities, during 2013 we strengthened the programs that offer new development opportunities for the communities. For example, in collaboration with ANSPAC (*Asociación Nacional Pro Superación Personal*), an association that promotes self-fulfillment, we offer women who participate in our courses the opportunity to develop their abilities and improve their quality of life. In Colombia, the first generation of the Job Skills Development Program included 150 students who participated in courses that prepare them to look for possible jobs in local industries and businesses. In our sports schools, more than 1,500 children have the opportunity to participate in team sports in order to make better use of their free time and develop values, trust, social abilities, and leadership. Furthermore, our neighbors have found in the CEMEX community centers a place where they can meet and carry out productive and recreational activities.

The use of alternative fuels continues to be key in our strategy to maximize the contribution our plants make to society. During 2013, we substituted 24 percent of our fossil fuels for alternative fuels, helping promote community economic activity by developing new supply chains, offering an alternative for waste disposal, and at the same time preserving non-renewable resources. To continue promot-

ing the use of alternative fuels, in the framework of the Clean Development Mechanism (CDM), in 2013 we obtained the accreditation of the United Nations Framework Convention on Climate Change (UNFCCC) for a new project for using alternative fuels in our Bayano cement plant in Panama, and we registered our second CDM in Colombia. As a result, as of this date we have CDM projects in four of our five clinker production facilities.

Our Clemencia plant in Colombia, a new operation we opened in November 2013, is a clear example of how we are including sustainability in our decision-making process and in the way we manage our business. For example, the plant has the most advanced technology in cement grinding thus eliminating water use in the industrial process. Furthermore, it has water treatment processes for domestic effluents, ensuring their adequate management through evaporation systems and the promotion of water conservation. As a result of how the filters were designed, we are 30 percent below emissions standards, and, in addition, we have installed equipment that will allow us to self-supply 100 percent of our electric energy needs.

Because we are fully aware that the commitment to sustainability extends beyond our operations, and that using locally based suppliers is in itself a sustainable practice that encourages the development of local communities and economies, during 2013 we purchased close to 90 percent of our inputs from suppliers based in the countries in which we operate, and we have included sustainability factors in our criteria to evaluate suppliers. By year end 2013, our Construrama® initiative—which is key to strengthening our distribution channel, promoting formal employment in the sector, and taking services to the communities—had 290 stores throughout the region, and in Colombia it became the largest construction materials distribution network in terms of the number of stores.

Although we still have way to go, our continuous efforts to protect the safety, health, and well-being of each one of our employees and contractors are yielding results. In 2013, we reduced our Lost-Time Injury (LTI) Frequency Rate by more than 50 percent, as compared to 2012. Regrettably, for the same period, there were four fatalities in the operations of some of our contractors and third parties. The loss of any person associated with our operations is extremely sad and completely unacceptable. To continue consolidating our Industrial Safety and Occupational Health strategies, and in order to reach our goal of zero incidents, we will continue to focus on four lines of action: managing through strong systems, implementing leadership programs, maintaining continuous lines of communication to promote responsible behaviors, and promoting a healthy way of life.



In 2013, we planted 17,000 trees in Nicaragua, contributing to the recovery of local flora and fauna.

At CEMEX Latam Holdings, we are committed to helping our employees reach their maximum personal and professional potential, and we offer them diverse training and growth opportunities that contribute to strengthening their abilities and areas of expertise. CEMEX Learning, to name just one of our programs, is a course library through which our employees are able to design Individual Development Plans that help guide them into delivering their personal best when trying to reach their career goals. Additionally, the program *Más por ti* (More for you) implements modern human-resources practices and serves as a platform to promote initiatives that offer all our employees an optimal workplace environment, greater well-being, and continuous possibilities for growth.

Overall, we are encouraged by the results achieved in 2013, and we view the opportunities ahead of us with great enthusiasm. At CEMEX Latam Holdings, we are ready to continue offering the best building solutions, to play a key role in promoting the development of the countries in which we operate, and to contribute to improving people's well-being.

We are proud to present the first CEMEX Latam Holdings Sustainable Development Report, and we invite you to give us your feedback so that we can continue improving our performance.

Sincerely,

**Jaime Ejizondo**  
Chairman of the Board  
of Directors

**Carlos Jacks**  
Chief Executive Officer

# about CEMEX Latam Holdings

GRI: 2.2, 2.3, 2.5, 2.7, 2.8



We contribute to sustainable growth in every country where we operate by offering building solutions that foster well-being for people.

## Our business

CEMEX Latam Holdings is a regional leader in the building solutions industry that provides high-quality products and reliable service to customers and communities in Colombia, Panama, Costa Rica, Nicaragua, El Salvador, Guatemala, and Brazil.

We are focused on offering sustainable and tailor-made building solutions to address the complex demands of our clients. With a solid commercial offering that combines innovative construction systems and specialty concrete products, we are encouraging the development of the countries where we operate, fostering well-being and delivering value to all our communities.

## Business strategy

We are committed to continue strengthening our leadership in the region by growing profitably and maximizing our overall performance. We focus our value creation strategy on five key elements:

- Market-oriented organization focusing on integrated building solutions
- Continuous effort to improve our cost structure and operating efficiency
- Optimize use of capital to support higher returns
- Recruit, retain, and cultivate world-class managers
- Foster our sustainable development

## Support of one the world's industry leaders

We have the support of one the world's leading building materials companies. CEMEX, S.A.B. de C.V. 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 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\$15.2 billion in 2013.

CEMEX is one of the largest cement companies in the world and the largest in terms of the sales volume of ready-mix concrete. Access to CEMEX's experience and exposure to multiple sectors allows us to benefit from best practices, technologies, and know-how in production techniques, marketing, and sales strategies. We also capitalize on our relationship with CEMEX to capture synergies and exploit the cross-selling opportunities that could result 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 the Framework Agreement and a management and business support services agreement, among other agreements.



## Our operations

CEMEX Latam Holdings, S.A. (BVC: CLH) is a public limited corporation (S.A.) incorporated in accordance with Spanish law, and its shares are traded on the Colombian Stock Exchange.

**7** countries with company presence

**4,391** employees in the region

**7.6** million tons annual cement production capacity

**10** cement plants, **75** ready-mix concrete facilities

**13** aggregates quarries, **17** land distribution centers, and **2** marine/river terminals

**290** Construrama® stores

**2** dry mortar plants

Cement production capacity  
million tons/year

Colombia: **4.0**

Panama: **2.1**

Costa Rica: **0.9**

Rest of CLH: **0.6**

Employees

Colombia: **2,636**

Panama: **815**

Costa Rica: **334**

Rest of CLH: **606**

## CEMEX in the world

**+50** is the number of countries where it is present, and there are **108** nations with which it has commercial relationships

**43,087** employees worldwide

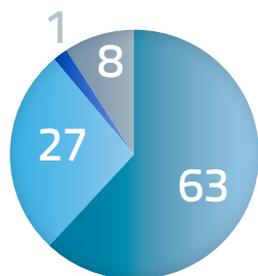
**93.7** million tons annual cement production capacity

**54.9** million cubic meters and **162** million tons: the approximate annual production of ready-mix concrete and aggregates, respectively

**55** cement plants, **1,784** ready-mix concrete facilities, and a minority share in **12** cement plants

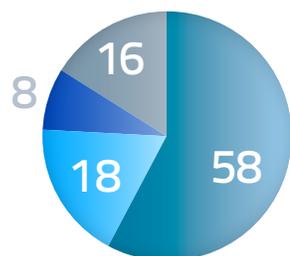
**362** aggregates quarries, **222** land distribution centers, and **63** marine terminals

# consolidated financial results



Sales by product (percentage)

- Cement
- Concrete
- Aggregates
- Others



Sales by region (percentage)

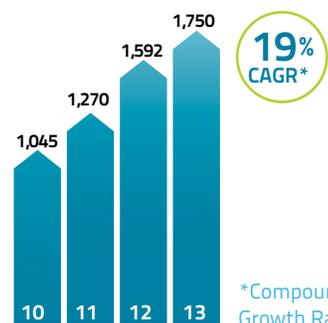
- Colombia
- Panama
- Costa Rica
- Rest of CEMEX Latam Holdings

In millions of dollars	2013	2012	%
Net sales	1,750	1,592	10
Operating earnings before other expenses, net	535	480	12
Operating EBITDA	633	548	16
Controlling interest net income	264	265	0
Earnings per share	0.47	0.48	0
Free cash flow after maintenance capital expenditures	299	307	-3
Total assets	3,836	3,938	-3
Total debt	1,381	1,633	-15
Total controlling stockholders' equity	1,343	1,219	10

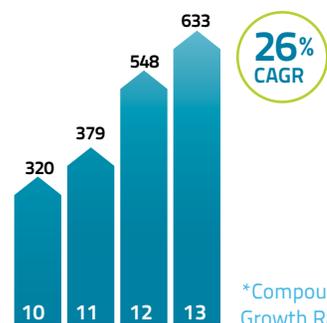
Financial information for years 2010, 2011, and 2012 is presented on a pro forma basis. Please refer to "Presentation of Financial Information" for definitions and additional details.

<http://www.cemexlatam.com/InvestorCenter/files/2013/CemexLatAmAnnualReport2013.pdf>

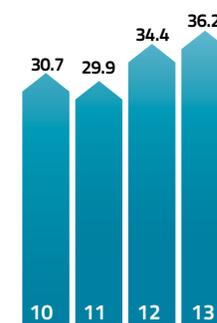
Net sales (millions of US dollars)



Operating EBITDA (millions of US dollars)



Operating EBITDA margin (percentage)



# our VISION of sustainability

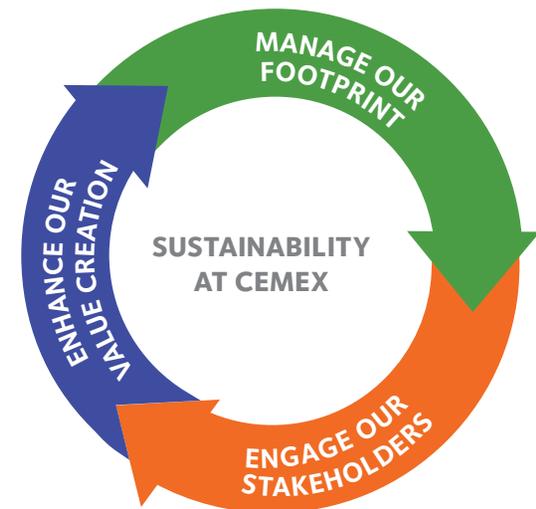
GRI: 1.2, 3.5, 3.7, 4.14, 4.16, 4.17, EC9, S05

## Building a sustainable future

At CEMEX Latam Holdings, we are fully aware of the important role we can play in facing the challenges of population growth, increasing urbanization, and the need to protect natural resources. Correspondingly, our business strategy includes sustainability practices that encourage us to provide building solutions that improve quality of life for people and at the same time meet the needs of a world with constrained resources.

## CEMEX Global Sustainability Model

The CEMEX Global Sustainability Model guides us in the process of including sustainability practices in all of CEMEX Latam Holdings' operations and decision-making processes. It establishes seven priorities that have been meticulously selected based on a structured internal and external survey process, in which we have included the importance of the main sustainability issues for our stakeholders and the CEMEX operations. The seven priorities of the model contribute to reaching three main sustainability goals: working with our communities to promote well-being in the region, managing our footprint, and enhancing our value creation.



Objectives	Priorities
<p><b>Enhance our value creation</b>            CEMEX Latam Holdings aims to deliver innovative and high-performance solutions that our resource-constrained society requires in order to create a growing and profitable low-carbon economy. By fulfilling the needs of the construction sector in its efforts to adopt more sustainable operating practices, we aim to create long-lasting competitive advantages.</p>	<ul style="list-style-type: none"> <li>▪ Lead in sustainable construction</li> <li>▪ Affordable housing &amp; infrastructure</li> </ul>
<p><b>Working with our communities to promote well-being in the region</b>            CEMEX Latam Holdings fosters positive, long-term relationships with our communities to address the pressing needs and concerns of society. With highly committed and empowered employees, CEMEX Latam Holdings closely collaborates with a broad variety of institutions, which allows us to complement our core competencies and enables us to generate social benefits that contribute to the strengthening of local communities. Through a profound knowledge of—and a close relationship with—our stakeholders we are able to get to know their concerns and needs.</p>	<ul style="list-style-type: none"> <li>▪ Strengthen local communities</li> <li>▪ Partnership with key stakeholders</li> <li>▪ High priority to health &amp; safety</li> </ul>
<p><b>Manage our footprint</b>            CEMEX Latam Holdings strives to minimize the ecological impacts of our operations in the communities in which we operate. Such impacts are carefully identified and measured so that we can continuously reduce our footprint to the lowest level that is both technically and economically feasible. We also have a robust pipeline of projects that provide carbon offsets to further reduce our net impact.</p>	<ul style="list-style-type: none"> <li>▪ Enhance our carbon strategy</li> <li>▪ Excellence in environmental &amp; biodiversity management</li> </ul>

**We build productive long-term relationships** GRI: 4.14

We are convinced that the success of our company is intimately related to the success of our communities. This includes:



**Our people.** We aim to be the employer of choice in our markets. We seek to provide the most attractive opportunities for employees' personal and professional development.



**Our neighbors.** We are a good neighbor. We participate with communities openly and directly in order to build trust and address their concerns.



**Our business partners.** We work to be the business partner of choice. We seek to help our suppliers and customers build their businesses and to create enduring value for our shareholders.



**Our world.** We are a good global citizen. As a global company, we work to contribute to international efforts to address some of the world's most complex challenges, including climate change, access to housing and community infrastructure, and the conservation of biodiversity.

## Our key sustainability issues

GRI: 1.2, 3.5, 3.7, 4.14, 4.16, 4.17, SO5

The CEMEX Global Sustainability Model is applied at operations worldwide, and it is adapted to local needs.

In order to ensure that we focus our attention on the most relevant local challenges, we listen to our stakeholders, and this allows us to build productive long-term relationships, improve our response to their needs and concerns, and, at the same time, find new ways of contributing to sustainable growth in the region and making CEMEX Latam Holdings a more competitive and profitable company.

For example, in our operations in Colombia, we carried out a materiality analysis in 2012 and 2013 that helped us align strategy and communications in terms of sustainability with the most relevant topics for the company and the key local audiences. It was a rigorous process, through which we were able to prioritize the main issues, risks, and opportunities by employing the input we got from our stakeholders and from our own experience as a company. The results of this analysis confirmed the priority issues of the Global CEMEX Sustainability Model and, additionally, the Colombian operation was able to identify specific aspects.

To draft the first CEMEX Latam Holdings Sustainability Report, we used the experience of our operations in Colombia together with the CEMEX Global Sustainability Model to take the first step toward organizing and prioritizing the contents of this report.

The materiality matrix included here summarizes the results of the materiality analysis carried out in our operation in Colombia. It organizes the 22 relevant issues based on the degree of relevance that both stakeholders in Colombia and the company's management give them. The vertical axis represents the relevance that key audiences give to the issues that were analyzed, and the horizontal axis shows the degree of importance these have from the point of view of the company. On the top right-hand side of the table you see the issues that are a priority for both parties and on which we have centered our communication in this report.

In order to further our understanding of the materiality concerning different issues in the rest of our operations in the region, in the short-term we will expand our materiality analysis efforts to other locations.



## Methodology for the materiality analysis

(implemented in our operations in Colombia in 2012–2013)

The materiality analysis carried out in our operations in Colombia was based on the Global Reporting Initiative methodology and was structured in three stages:

### Identify

22 relevant topics were identified, taking three sources into consideration:

- The GRI reporting guidelines
- Participation in international efforts, such as, for example, the Global Cement Initiative
- Commitments, such as, for example, CEMEX Colombia as a signatory of the Global Compact.

### Prioritize

22 relevant issues were prioritized based on the concerns and information requirements of the main stakeholders and the point of view of the company in Colombia, applying different mechanisms:

- A comprehensive analysis of the country's construction industry
- Media coverage of the operations in Colombia
- The conclusions of an exhaustive perception survey that we carried out in our local communities
- Surveys with employees of CEMEX Colombia in order to understand the internal relevance of these issues

### Validate exhaustiveness

The results of the process to set priorities were internally validated, and the necessary adjustments were made to reflect a comprehensive portfolio of materiality issues.

## Our key issues

KEY AUDIENCE'S INTERESTS	HIGH	<ul style="list-style-type: none"> <li>● Other emissions</li> </ul>	<ul style="list-style-type: none"> <li>● Community engagement and development</li> </ul>	
	MEDIUM	<ul style="list-style-type: none"> <li>● Research &amp; development, innovation</li> <li>● Engagement with our stakeholders</li> <li>● Sustainable supply chain</li> <li>● Transportation and logistics optimization</li> <li>● Quarry rehabilitation</li> <li>● Vibration and noise</li> </ul>	<ul style="list-style-type: none"> <li>● Client engagement and satisfaction</li> <li>● Corporate governance and ethics</li> <li>● Economic value creation</li> <li>● Health and safety</li> <li>● Human rights</li> <li>● Climate change and CO<sub>2</sub> emissions</li> </ul>	
	LOW	<ul style="list-style-type: none"> <li>● Public policy</li> <li>● Risk management</li> <li>● Water use and recycling</li> <li>● Waste generation, disposal and recycling</li> <li>● Raw materials</li> </ul>	<ul style="list-style-type: none"> <li>● Product safety and quality</li> <li>● Employee relations and engagement</li> <li>● Use of energy and its efficiency</li> </ul>	
		LOW	MEDIUM	HIGH
		IMPORTANCE FOR THE COMPANY		

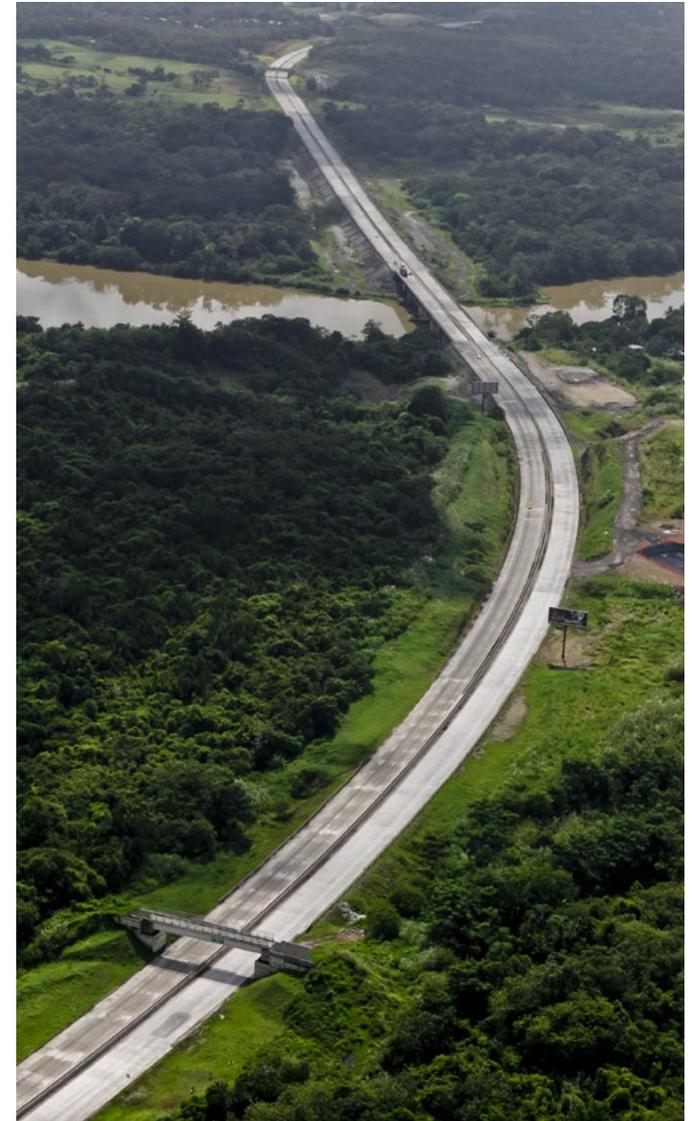
- Enhance our value creation
- Engage our communities
- Manage our footprint

## Strengthening the CEMEX Global Sustainability Model

During the first quarter of 2014, more than 80 experts from CEMEX's Sustainability Functional Network, representing all regions and functional areas, met to review the CEMEX Global Sustainability Model and its priorities in terms of sustainability. The results of this exercise offered relevant information to strengthen the model, update priorities, renew key indicators, and establish performance goals for 2020.

The following are among the improvements that could be included in the revised model: addressing the most relevant challenges facing the world and CEMEX as a global company; placing a special emphasis on the results of our social programs; giving specific priority to governance and ethical standards on how we manage the company; and introducing the supply chain as a relevant element in our sustainability strategy.

The results of this exercise will be made public during the second half of 2014, and they will serve as guidance to sharpen our sustainability strategy and strengthen CEMEX Latam Holdings' future reporting exercises, as we prepare to align with the requirements of the GRI G4 in the future.





### What are our operations like?

Sustainable solutions for our market, communities, and the environment

With a 360-degree focus, we generate positive impacts throughout our production chain, manufacturing process, and the communities in which we operate. We take every opportunity to interact with our communities and maximize the value we add to society and the development of the region. From our position as the leading company in building solutions, we help our clients to be more productive in their projects; we help authorities design, plan, and build better cities; we improve quality of life for our employees and the communities in which we operate; and we innovate processes to maximize the positive impact of our operations.

CEMEX LATAM HOLDINGS SOLUTIONS		
MARKET	COMMUNITY	ENVIRONMENT
We offer innovative products that reduce construction times and costs and generate energy savings.	We promote the growth of our employees by offering challenging experiences, training, and quality of life.	We use alternative fuels, which contributes to improving the environment.
We integrate solutions for building sustainable housing, communities, and infrastructure.	We operate under the strictest safety standards, and we promote the health and well-being of our employees.	We use wastes from other industries as additions, and, consequently, avoid sending them to landfills.
We help our clients quantify the carbon footprint of their construction projects.	We improve quality of life for individuals and families by operating inclusive businesses that encourage housing self-construction.	As much as possible, we self-supply the electricity we consume, and we emphasize the use of renewable energy.
We improve our clients' construction by sharing our profound knowledge of concrete technologies.	We build community infrastructure that contributes to developing sustainable communities.	We operate under the strictest international environmental standards.
We contribute to making the operations of construction materials distributors more professional and modern, thus improving their sales and customer satisfaction.	We increase quality of life in communities by promoting sports, cultural, and educational activities.	We install equipment for recycling water, thus maximizing the use of this important resource.
We simplify the delivery of concrete by installing mobile plants for our clients.	We work with local suppliers, creating jobs, supporting their training, and opening up new business opportunities.	We protect the biodiversity in the surroundings of our operations, and we encourage environmental stewardship in our communities.
We recycle, reuse, or certify the adequate disposal of our clients' construction and demolition waste.	We choose sustainable suppliers, that hire local labor and have better environmental, industrial safety, and human rights practices.	We mitigate noise and traffic related to our operations by employing technology.
	We participate in associations that work to consolidate the construction industry and the growth of the region.	



focus that generates positive impacts on our production chain, manufacturing process, and communities

## Life is better where our company is present

### GRI: SO1

On November 2013, we began operations at our fifth cement production plant in Colombia. We welcome our Clemencia Plant, a sustainable operation.

Beginning in the planning stages of the project, we included sustainability issues in the decision-making in order to implement best practices that would contribute to minimizing the environmental impact; including using completely automated controls with high-quality environmental control standards. For example, the plant has the most advanced technology in cement grinding thus eliminating water use in the industrial process. Furthermore, it has water treatment processes for its domestic effluents, ensuring their adequate management through evaporation systems and the promotion of water conservation.

On the other hand, the design of our filters allows us to operate with emissions reduced 30 percent under the standard; we have also installed equipment that will allow us to self-supply 100 percent of our electric energy needs. This is in addition to applying strict measures for a safer operation.

Our operation in Clemencia, on the Caribbean coast of Colombia, will also contribute to the development of each of the neighboring communities by offering job opportunities to members of the community, hiring locally based suppliers, and collaborating with organizations and government agencies to develop social investment programs. During the construction stage and set-up of the plant in 2012 and 2013, we created 500 indirect jobs, of which approximately 200 were for people that live in Clemencia. Currently, 70 percent of the plant employees come from Clemencia.

People from neighboring communities can register their businesses in order to become CEMEX Latam Holdings suppliers in Colombia, thus promoting economic growth in the community. Additionally, the more than 12,000 inhabitants of Clemencia will benefit from the various social programs that contribute to building sustainable communities, including:



- A neighbor committee, which began operating the moment we began the planning stages of the project and allows us to maintain direct and open communication with the people living in the municipality.
- Our Productive Centers of Self-Employment—*Bloqueras Solidarias*—which contributes to eradicating extreme poverty by combining, in one program, both a solution that satisfies the need for employment and the desire to own a home.
- The Community Infrastructure Improvement Program also started operating from the planning and construction stages of the plant.
- Our Job Skills Development Program for job training in partnership with the *Servicio Nacional de Aprendizaje* (National Jobs Service).
- The environmental education program *Sembrando Futuro* (Seeding the Future).
- Sports Schools.

The beginning of these operations at Clemencia underscores our commitment to working toward offering a better life for people who live in the communities in which CEMEX Latam Holdings is present.

Our new cement production plant, located in the Department of Bolívar, in Colombia, represented an investment of US\$50 million, and will supply large infrastructure projects developing on the Caribbean coast, with an installed capacity of 450,000 tons annually of three types of cement: General Use, Structural Use, and Marine Environment.



# our MARKET

GRI: 2.2, EN6, EN26

# 52%

During 2013, specialty ready-mix concrete products accounted for approximately 52% of our total consolidated ready-mix concrete volume sales.

Over the past years at CEMEX Latam Holdings, we have focused on reshaping our commercial offering and evolved from being a supplier of construction materials to a supplier of comprehensive building solutions that address the complex demands of society. In this commercial approach, we are combining specialty ready-mix concrete products with innovative construction systems and years of experience as an industry leader in order to strengthen the development of the countries where we operate, fostering well-being and creating value for our communities.

With solutions-based commercial initiatives tailored to the different demand segments and our distribution channel, we are staying closer than ever to our customers. At the same time, we are increasing demand for our products by proactively proposing new projects and facilitating the timely execution of construction works. Furthermore, through our unique commercial offerings, we are improving our return metrics and capturing additional operating EBITDA.

To see our complete portfolio of products, visit our website <http://www.cemexlatam.com/BuildingSolutions/PortfolioProducts.aspx>

## Specialty concrete products for faster, lower-cost, and more efficient construction

At CEMEX Latam Holdings, we work hard to tailor our commercial solutions to suit our customers' evolving needs. Led by the CEMEX Center for Technology and Innovation, we addressed our customers' demand for faster, lower-cost, and energy-efficient construction solutions by launching into our markets several innovative specialty ready-mix concrete products, including Promptis®, Hidratium®, and Insularis®.

Promptis® is the ideal product when the high strength of concrete is required in a short time. Its rapid hardening and fast-formwork-removal attributes make it the preferred solution for renovating and constructing roads, tunnels, and bus and tram stations, as well as for precast projects. Promptis® reaches early compressive strength in as fast as four hours—compared with an average of 18 hours for conventional concrete—while maintaining its workability for at least 90 minutes. This allows for easy handling without the risk of sudden

hardening, even under extremely hot weather conditions. Using Promptis® contributes to a reduction in construction time.

The self-curing properties of Hidratium® help optimize the use of natural resources by considerably reducing overall water consumption. At the same time, Hidratium® eliminates early-stage cracking and decreases shrinkage, resulting in lower labor and maintenance costs.

Finally, Insularis® enhances thermal and acoustic insulation in concrete wall and floor construction systems, improving efficiency in buildings, with energy savings of up to 20 percent.

These specialty concrete products are enabling the construction of better, more sustainable, and cost-efficient structures, including housing, infrastructure, and commercial projects, allowing us to remain at the forefront of the building materials industry. Additionally, we included in our product portfolio Super Resistant Cement, Structural Use Cement, Marine Environment Cement, Anti-landslide Concrete, and Roller Compacted Concrete (CCR) for pavements.

Promptis®

Hidratium®

Insularis

## Products



### Cement

Is the main ingredient in ready-mix concrete and mortar. We have different varieties of cement, each designed to satisfy specific requirements in our clients' construction projects.



### Ready-mix concrete

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



### Mortar

Is a mixture of cement, sand, and additives, technically designed and ready to use for building floors and masonry.



### Aggregates

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

## Solutions

- General Use
  - Super Resistant
  - Structural Use
  - Architectural White
  - Marine Environment Use
- 
- Conventional
  - Special: antibacterial, architectural, self-compacting, for pumping, with synthetic fibers, high-resistance, for pavement and floors, walls, and industrial plates
  - New developments: Promptis®, Hidratium®, and Insularis®, anti-landslide, and Roller Compacted Concrete for pavement
- 
- Conventional
  - Plaster
  - Floors
  - Structural
  - Fill grout
  - Shotcrete
  - Self-compacting
  - With synthetic fibers
- 
- Sand (river, yellow, and thick sand)
  - Variety of gravels
  - Mixed aggregates
  - Granular base
  - Granular sub-base
  - Stone

## Measuring the carbon footprint of our products

The tool developed by CEMEX to measure the CO<sub>2</sub> Footprint helps quantify the direct and indirect CO<sub>2</sub> emissions produced during the production process for our products. At CEMEX Latam Holdings, we use this tool in order to be able to provide our clients with valuable information for estimating the CO<sub>2</sub> footprint of their own construction projects.

## Comprehensive solutions

We have proactively evolved from being a supplier of construction materials to a supplier of comprehensive building solutions that address the complex demands of society. By integrating our building products with modern construction systems, we offer our clients a complete portfolio of the best building solutions, in terms of infrastructure, housing, and distribution channels.



### Projects



#### Infrastructure

In addition to quality products, we offer our clients innovative solutions for putting together infrastructure projects that contribute to improving quality of life in our communities and to the economic and social development of the region.



#### Housing

We offer our developer clients comprehensive solutions that address their needs, including industrialized construction processes that contribute to effective and more time- and cost-efficient construction.



#### For the distribution channel

We offer opportunities for our hardware distributors to professionalize and upgrade their operations, and to get closer to their clients by offering a friendlier, easier, and more innovative buying experience.



#### For the builder

We add value to the projects of our builder clients by offering them products and services that make it easier for them to develop their projects.

### Solutions

- Turnkey projects
- Public-private partnerships
- Project structuring
- Bidding for national projects
- Financial analysis of public organizations
- Design and construction of industrial flooring
- Design and construction of urban and highway pavement
- Stamped concrete
- Concrete streets and sidewalks in housing developments

- Turnkey projects
- Project structuring
- Partnerships with developers
- Managing projects
- Urban design
- Creating fiduciary projects
- Administrative procedures and public records for housing
- Lean construction
- Leasing formwork panels

- Construrama®

- CEMEX en su Obra (CEMEX in Your Construction Site)
- Comprehensive solution for waste disposal

To see our complete portfolio of products visit our website. <http://www.cemexlatam.com/BuildingSolutions/PortfolioProducts.aspx>

building  
well-being one

CONSTRURAMA®  
at a time



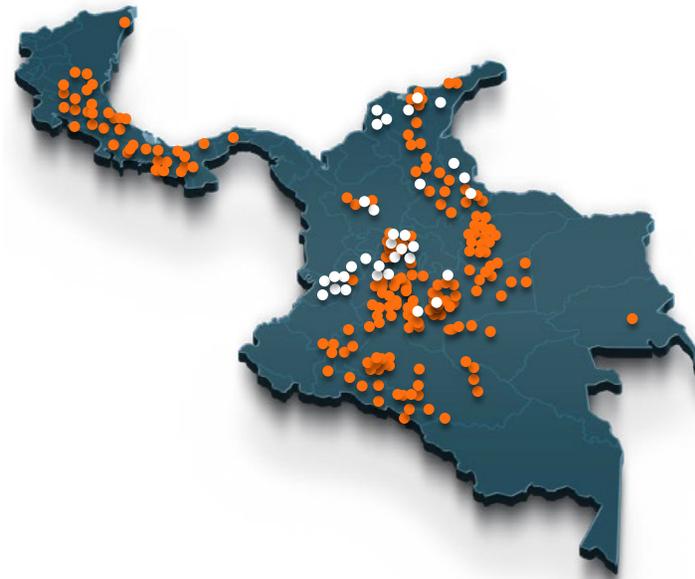
## +290

distributors are part  
of the Construrama®  
network in Colombia,  
Costa Rica, and  
Nicaragua.

The market dynamic and the economic context make medium-sized and small companies face new challenges. Construrama® is the CEMEX Latam Holdings solution that offers opportunities for our hardware distributors to professionalize and upgrade their operations, and to get closer to their clients by offering a friendlier, easier, and more innovative buying experience.

The combination of tradition, experience, and closeness to the community of the hardware store owners, as well as the multiple benefits associated with belonging to a multinational chain with great brand recognition, such as Construrama®, empowers distributors to improve their profitability by growing their revenue, decreasing costs, and gaining more control over the management of their business.

When hardware stores join Construrama®, we work with them to optimize the layout of their stores and increase their commercial offering, giving them access to a portfolio of Construrama® brand products and value-added services, which considerably increases customer traffic and loyalty and the profitability of each store. We also offer opportunities for training and certification for store managers and employees, which in addition to the installation of point-of-sale management software, improves client services and



US\$3.5

million in loans granted through Construrama® in Colombia

business management—including the detailed control of sales, inventory, product mix, and other key business performance indicators. We complete the modernization of the hardware stores, offering access to technical advice in construction, financing, and microcredit for hardware clients, contractors, and end consumers. Finally, in addition to transforming the hardware stores, we also make investments in advertising and marketing, promotions, sales, and consumer-loyalty programs that result in greater sales.

The result is a business model that rapidly positioned Construrama® as the hardware store chain with the most points-of-sale in Colombia in 2013—its first year of operation in that country—with 135 branches operating in 110 municipalities and close to 100 additional branches currently in the process of transformation. We expect to have more than 270 stores operating by year end 2014.

CEMEX Latam Holdings also has 28 Construrama® stores operating in Nicaragua and 38 in Costa Rica. We estimate that during 2015 there will be 500 Construrama® branches in the region.

### Benefits for the whole community

Upgrading the hardware stores brings considerable additional benefits to the communities. The growth in sales and the training programs consolidate new jobs and formalize existing ones. The convenience and supply of additional services, such as banking services, paying for utility bills, and refilling prepaid cell phones,

save the community time and money in trips. The professionalization of management has made succession plans in the hardware stores easier and more successful. Finally, improvements in the image of the stores contribute to building cleaner and safer communities.

Through a joint venture signed in 2013 with the Colombian Ministry of Technology by means of the program CEMEX INNPULSA, more than 100 Construrama® hardware stores have benefited from free access to Internet service, and we expect that during 2014 we will be able to expand this service, as well as install management software in more than 300 hardware stores. As the expansion of the chain continues throughout the region, we will try to establish partnerships and synergies that multiply the benefits Construrama® offers to communities.

Finally, we have begun binding our flagship inclusive business, *Patrimonio Hoy*, with the Construrama® branches in Colombia in order to be closer to the end consumer and to widen the opportunities for access to credit for self-construction. This initiative will allow us to considerably grow the number of loans granted to low-income families for self-construction and for expanding their homes.





# builder SOLUTIONS

# 5.2%

In Colombia, during 2013 we classified and stored 95,000 cubic meters of masonry and concrete CDW at the La Fiscala and Las Delicias mines, equivalent to 5.2 percent of the CDW received by CEMEX Colombia during the year.

## CEMEX en su Obra (CEMEX in Your Construction Site)

Through *CEMEX en su Obra*, we add value to our portfolio of products by offering technical assistance and ready-mix concrete with just-in-time delivery directly at the construction site of our customers. We simplify the preparation, transport, and delivery processes for concrete by using a mobile concrete plant that is directly installed at the customer's construction site. Through this system, we can produce any type of concrete and carry out unique technical and quality tests at the construction site. As a result, we generate costs savings for our clients; and we reduce the traffic of mixers, decrease environmental emissions, and eliminate potential obstacles in the delivery process. The personalized on-site service, comfort, and the guarantee given by the *CEMEX en su Obra* mobile plants has allowed us to grow our operation, from two mobile plants in 2011 to 12 currently in Colombia.

## Comprehensive solution for waste disposal

If disposed of in landfills, construction and demolition waste (CDW) can pose environmental challenges through air, water, and soil pollution. Through our centers for treatment and reuse, CEMEX Latam Holdings is helping address this issue by offering a comprehensive solution for adequate demolition, on-site classification for recycling, and waste transport and disposal.

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

The La Fiscala mine works under an environmental management plan registered with the Urban Development Institute, which allows the company to issue certificates for proper CDW disposal. To implement this project, CEMEX Colombia invested US\$1 million in training the operation's employees and in equipment to collect and process the matter generated from debris.



# HOUSING and infrastructure

GRI: 1.2, 4.11, EC9

## Fostering development in the region through building housing and infrastructure

As the supplier of choice in comprehensive building solutions, we offer our clients high-quality products, innovative services, and years of experience for putting together housing and infrastructure projects that promote economic growth in the region's countries, fostering well-being for our communities.

## Growing need for housing and infrastructure solutions

The Inter-American Development Bank (IDB) estimates that one in every three families in Latin America lives in inadequate homes, built with low-quality materials, unfit, without access to adequate infrastructure, and overcrowded. To solve the current deficit in adequate housing, the IDB estimates that an investment of US\$310 billion—or 7.8 percent of the GDP in the region—is needed and that afterward there will be a need to maintain annual investments of US\$70 billion to satisfy the demands that the urbanization process and population growth will generate.\*

*\*IDB, Room for Development: Housing Markets in Latin America and the Caribbean.*

This situation makes it imperative to create opportunities for access to affordable and quality housing that, together with public infrastructure, will lead to the adequate development of cities and improvement in the quality of life of the population. The magnitude of this challenge suggests that none of the parties involved—public sector, private initiative, families, and non-governmental organizations—has the capacity to address it on its own. Reaching the goal requires the joint efforts of all the sectors.

At CEMEX Latam Holdings, we are doing our part, and we are positioned as the partner of choice for building housing and infrastructure in the region, by introducing, in addition to a portfolio of high-quality building materials, a dynamic supply of building solutions, new technologies, and professional management systems, as well as partnering with our clients during the execution of their projects.

# 6,110

homes built in  
one year

## Sustainable housing and community development model

At CEMEX Latam holdings, we offer our clients a wide portfolio of solutions to build housing faster and at a lower cost:



### CEMEX Latam Holdings portfolio of solutions for developing housing projects

- Project structuring and management
- Using sustainable and high-technology building materials that offer additional benefits
- Leasing formwork panels
- Partnerships with developers
- Creating fiduciary projects
- Urban design
- Engineering projects, adapting land, and building works
- Administrative procedures and public records for housing
- Community programs
- Industrial safety manual
- Construction of concrete roads
- Turnkey projects

## The partner of choice for housing projects

At CEMEX Latam Holdings, we make good on our commitment to improve well-being and build sustainable communities by articulating collaboration models and introducing a portfolio of innovative solutions that put an end to the paradigms that limit the affordability of owning a home for poor families.

During 2013, we considerably increased our portfolio of housing solutions, making our portfolio more attractive to our clients. Additionally, for the first time in the region, we are offering a faster and less expensive housing construction system based on an industrial-style production model to save time and materials.

## Value-added solutions for building sustainable housing

Through our housing initiatives, we are offering a faster, more sustainable, cost-efficient, and replicable industrialized housing production model, by integrating innovative building materials and efficient construction systems. Adapting our solutions to face the climate, geography, and other challenges in the surroundings of each community, the houses we build have numerous advantages that create greater value and foster the well-being of communities, among which we would like to highlight the following:

- **Reduced construction time:** fast, cost-efficient, and large-scale housing construction using formwork molds for walls and slabs.
- **Higher energy efficiency:** use of specialty concrete products to increase energy efficiency, which translates into reduced energy costs for families as well as lower CO<sub>2</sub> emissions. Use of ready-mix concrete in streets and sidewalks in our housing developments promotes a reduction of the "heat island" effect.
- **Optimal use of natural resources:** use of specialty concrete products to reduce water consumption in the construction process.
- **Reduced overall costs:** industrialized construction system that requires less resources, with savings in the construction process as well as in materials storage and inventory management.
- **Increased resistance:** use of concrete installed as a single element ensures greater resistance to adverse weather conditions and earthquakes.

## A Community Is All of Us

A community is an organism with history, culture, organizational models, strengths, and learning processes. To contribute to harmonious communal living in the communities recently established in Colombia as part of the 100,000 free-homes program, we have developed the initiative known as *Comunidad Somos Todos* (A Community Is All of Us), 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*). In order to assist the families in the process of adapting adequately to the life processes in the community, and so that their new homes will continue to be dignified spaces for living in the long-term, we have hired a team of professionals in psychology and social work to implement an accompaniment strategy for the benefited families.

As part of the program, we give training courses to the community 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; to sensitize to the importance of learning the norms for caring for and protecting their surroundings; to encourage the understanding of limits and the relationship between private, particular, and public domains; to make it easier to live in peace, resolving and preventing conflicts; and to familiarize the community with the main concepts stipulated in the laws concerning daily life in a building.

## 6,110 homes in one year

2013 marked the first year in which we fully deployed our housing and sustainable communities program in the region, with extraordinary results. By implementing different combinations of our housing solutions, we built 6,110 homes in various priority, rural, and shared-cost projects throughout the region.

### Priority housing

In 2013, we built 5,404 homes under the 100,000 priority free-homes program sponsored by the federal government and the Colombian Ministry of Housing, City and Territory. CEMEX Colombia was responsible for managing the five projects, which included architectural design, engineering, urban development, and the construction of concrete roads in all the communities. People who benefited from these homes were mainly families in the process of reintegrating the community and families living in extreme poverty. In order to strengthen the community, CEMEX Colombia will be in charge of coordinating social development activities for the five communities, together with the federal government, the municipalities, and other organizations.

During 2013, we continued works in several housing projects in Panama and Costa Rica, where we are providing construction services for close to 1,400 homes, of which almost 310 had been completed as of 2013.

### Rural housing

During 2013, we built 306 homes that benefited Colombian families that live in different rural parts of the Tolima region. Besides coordinating the project, CEMEX Colombia implemented engineering and architectural activities, completed the adaptation of the land, and built the works. The resources for building these homes came from the government of Tolima, the municipalities, as well as from the benefited families, who contributed non-specialized labor toward building the homes.

### Shared-cost housing

Because of our capacity to add great value to the project through our model for developing sustainable communities, CEMEX Colombia was hired by the community of Dosquebradas in Risaralda to build 90 social homes under a shared-cost program. Additionally to the ability to implement social development programs, CEMEX was also hired because of our excellence in the design and construction of housing and ample knowledge in managing inter-institutional programs and the legal management needed to articulate the project. The benefited families contributed a percentage of the



CEMEX Colombia was hired in the Dosquebradas community, in Risaralda, to build 90 social houses under the shared-cost framework.

necessary resources for building their homes, while the Department of Risaralda contributed the land and the urban design project; the federal government will contribute with the rest of the cost of the project.

### Housing for responding to natural disasters

The effects of the 2010 rainy season in Colombia were profound and regrettable. The property of 850,000 families living in 28 departments was affected, of which a majority were people who live in vulnerable conditions. That year CEMEX Colombia started a program for building housing and responding to damages resulting from the rainy season.

In 2012, in collaboration with different entities—including the Catalina Muñoz Foundation; Oxy; Terpe; the El Tiempo Foundation; the Colombian Ministry of Housing, City, and Territory; clients and suppliers—we built 84 houses that were given free of charge to an equal number of families in Loma Linda and La Capilla, in Soacha, affected by the rainy season of 2010. CEMEX Colombia was in charge of transferring and legally managing the land; of technically articulating the project, including the architectural and engineering design; raising financial resources through donations; and verification and accompaniment of the families benefited during the construction process. Furthermore, in our effort to build a sustainable community, we built concrete pavements, water treatment systems, public streetlights, sewage systems, green areas, and terraces.

### Delivering with cutting-edge solutions in infrastructure

GRI: 1.2, 4.11, EN6, EN26

As suppliers of comprehensive building solutions, we offer our clients not only quality materials but also innovative solutions for articulating infrastructure projects. We are positioned to interact with different divisions at construction companies, advising them on technical issues, construction processes, costs, and engineering. We jointly strive to contribute to improving quality of life in our communities and to the economic and social development of the region.



CEMEX Latam Holdings' robust solutions portfolio supports cities in developing the infrastructure necessary to promote and improve quality of life in a sustainable manner, including building concrete avenues and highways, airports, mass transportation projects, facilities for energy generation and channeling rivers, as well as energy efficient office buildings, schools, and hospitals.

### Portfolio of CEMEX Latam Holdings' solutions for building infrastructure projects

- Use of specialty products
- Stamped
- Design and construction of industrial flooring
- Design and construction of urban pavement
- Concrete streets and sidewalks in housing developments
- Project analysis, structuring, and management
- Financial analysis of public organizations
- Turnkey projects
- Bids for national projects
- Structuring private-public partnerships—PPP

## Support for designing and renovating buildings

In Colombia, when facing the challenge of developing materials and buildings that are more sustainable, we play an important role as members of the Managing Committee of the Colombian Council for Sustainable Construction, a full member of the World Green Building Council for Sustainable Development. 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 design, construction, and urbanism in Colombia. In order to increase the knowledge, involvement, and responsibility of different actors toward 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.

For more information about the management of the Managing Committee of the Colombia Green Building Council, please visit their website at <http://www.cccs.org.co/english-page>

## Large projects, great partners

In 2013, CEMEX Nicaragua, together with two additional entities, was awarded the construction of the first section of the Nejapa-Puerto Sandino highway—the largest and most advanced highway infrastructure project currently underway in Nicaragua. The project, which will considerably enhance connectivity throughout Central America, will require approximately 54,000 cubic meters of ready-mix concrete (equivalent to approximately 50 percent of our annual ready-mix concrete volume in Nicaragua) over an 18-month construction span. With our concrete short-slab paving technology, we expect to reduce construction and maintenance costs and improve transit safety conditions.

In Costa Rica, we are supplying 150,000 metric tons of custom-made cement for the construction and expansion of a four-lane, 50-kilometer stretch of highway connecting Cañas to Liberia in the Guanacaste province—a crucial route for Costa Rica's Pacific Corridor. The highway is expected to have a strong effect on regional and national development, as it will increase tourism and the country's competitiveness in transportation infrastructure. The cement supplied is specially engineered to have higher resistance, and it is strengthened with pozzolana, reducing the "heat island" effect and avoiding cracking and shrinkage. The project, which also includes 18

During 2013, throughout the region we offered concrete pavement solutions for 42 different infrastructure projects, equal to an area of more than 400,000 square meters.

bridges and is the largest road infrastructure project in the country, is expected to be completed in 2015.

In our operations in Panama, to satisfy the demanding building requirements for the Coastal Beltway, we designed and delivered nearly 130,000 cubic meters of specialty added-resistance concrete for maritime use in the construction of transversal and longitudinal beams, foundations, and jetties for this new phase of the beltway.

During 2013, CEMEX Latam Holdings provided concrete pavement solutions for 42 different projects throughout the region, representing an area of more than 400,000 square meters.



In Nicaragua, we participated in the renovation effort of the main plaza in the León Cathedral using architectural concrete.

## Public-private partnerships for building infrastructure

Public-private partnerships are a model that has been proven successful all over the world for building infrastructure. The model consists of the collaboration between government entities and private companies that join economic resources and human talent

We supplied more than 120,000 tons of cement for the construction of Line 1 of the Panama Metro—the first to be built in Central America.



Country	Area m <sup>2</sup>	2013 Projects
Guatemala	21,700	4
Nicaragua	183,700	9
Costa Rica	51,100	8
Panama	65,300	9
Colombia	93,000	12
<b>Totals</b>	<b>414,800</b>	<b>42</b>

to efficiently and profitably develop infrastructure projects. In our operations in Colombia, we have proposed several public-private partnership projects, including highway infrastructure, urban highways, and airports that are currently under review. In the municipality of Pereira, we carried out studies, designs, and environmental and property management in order to build the connectivity civil works in five road corridors that play a strategic role in the city's mobility. On the other hand, in the city of Bogota we carried out design, financing, construction, rehabilitation, operation, and maintenance studies for approximately 40.9 kilometers of a mixed main two-lane urban road with ground and elevated stretches.

### We value innovation: 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 buildings that respond to the social, energy, environmental, and sustainability challenges that society faces. To this end, the CEMEX Building Award (*Premio Obras CEMEX*) recognizes constructions that stand out because of how they apply building, conceptual, technical, and aesthetic solutions.

In Colombia, Costa Rica, Guatemala, Nicaragua, and Panama, we open the invitation so that the best constructions and, accordingly, all those who make them possible—such as architects, engineers,

investors, and builders— can participate in the local editions of the CEMEX Building Award, which earns them a ticket to participate in the international edition.

We wish to recognize the La Samaria Education Institution, located in Risaralda, Colombia, for obtaining three distinctions in the 22nd International Edition of the CEMEX Building Award:

- Second place in the sustainable building category
- Second place in the congruence in accessibility category
- Third place in the institutional-industrial category

Other winners in the region include second place in the housing category for Summum, in Bogota, and third place in the infrastructure and urban design category for the irrigation district triangle of Tolima, in Coyaima, Tolima.

For more information on the CEMEX Building Award, please visit: <http://www.cemex.com/MediaCenter/BuildingAward.aspx>



**Concrete pavements, a less expensive and more efficient solution** GRI: 1.2, EN6, EN26

CEMEX collaborates closely with the Concrete Sustainability Hub at the Massachusetts Institute of Technology (MIT), which is carrying out the most comprehensive study for creating a Life Cycle Analysis model for concrete.

The MIT Concrete Sustainability Hub found that more rigid pavements, such as those built with concrete, can reduce fuel consumption in vehicles by up to 3 percent. The leveled surface and greater

resistance offered by concrete highways, as compared to those made of asphalt, make fuel consumption more efficient and, consequently, reduce greenhouse gas emissions.

We are very optimistic about the results obtained by the MIT Concrete Sustainability Hub and hope to continue getting more information about the sustainability attributes of concrete, as well as innovations that can be translated into additional benefits for society.

For more information on the Concrete Sustainability Hub, please visit: <http://cshub.mit.edu/>

**Concrete vs. asphalt pavements** GRI: 1.2, EN6, EN26

Concrete pavement solutions provide significant advantages over asphalt.



**Superior durability**

Concrete roads can be designed to last for 50 years or more, and they last around three times longer than asphalt roads before a first major rehabilitation is required.

Time for first rehabilitation (highways indicative) - years



**Lower cost over full life cycle**

Including the full life-cycle of the project, concrete has a significantly lower total cost versus asphalt, despite its slightly higher initial cost.

Total life-cycle cost



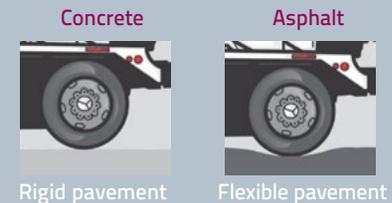
**Reduce "heat island" effect**

Cities are warmer than their surroundings, which in summer leads to discomfort, medical conditions, and higher air-conditioning use. Light-colored surfaces with high reflectivity, such as concrete, reduce this urban "heat island" effect.



**Lower vehicle fuel consumption**

On the rigid surface of a concrete pavement, wheels do not sink in as much as they do on flexible (i.e., asphalt) pavements. This effect, called deflection, is invisible to the naked eye, but has a noticeable impact on vehicle fuel efficiency.





# STRENGTHEN local communities

GRI: 1.2, EC9, S01

According to figures from the United Nations, it is estimated that in Latin America and the Caribbean, approximately 170 million people—30 percent of the total population—live in poverty. Faced with this reality, at CEMEX Latam Holdings we are working to create programs that offer solutions to the challenges being faced by vulnerable communities. In close collaboration with local organizations and members of the community, we strive to identify the specific needs of the countries in which we operate, seizing our experience and abilities to develop mutually beneficial programs that help us establish strong long-term ties.

**+100,000**

people have benefited  
from *Patrimonio Hoy*  
since 2005

We build sustainable communities,  
empowering people, helping them become  
self-sufficient, and offering long-term  
solutions to long-term social challenges

## Generating shared value GRI: S01

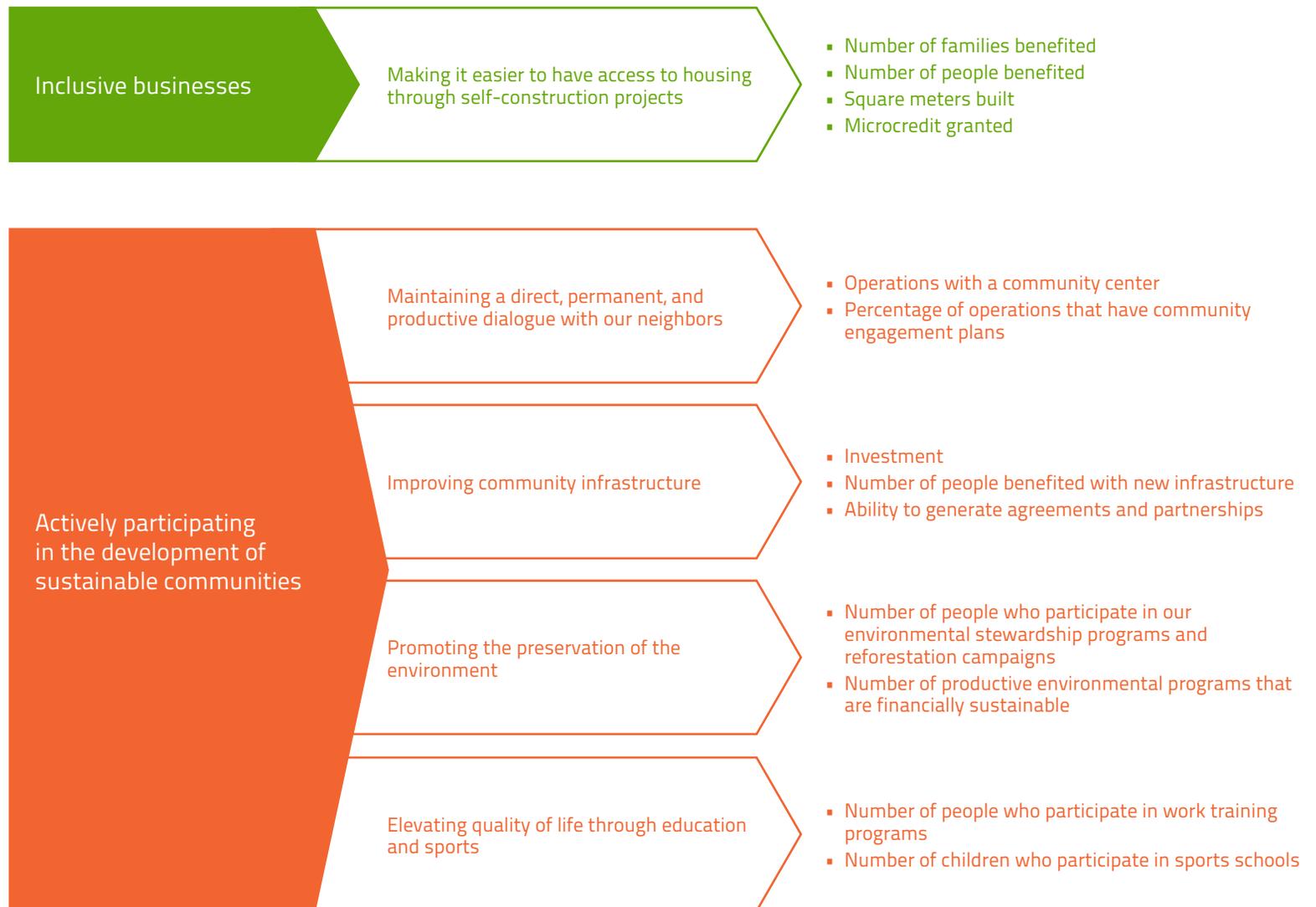
Our operations are an important part of the communities in which we live and operate. We contribute to developing each of the communities neighboring our operations by employing members of the community, hiring local suppliers, collaborating with organizations and government agencies, and implementing successful social investment programs. Our goal is for people to have a better life in those places where our company is present

Based on the constant communication we have with our neighboring communities and our understanding of their needs, at CEMEX Latam Holdings we have developed innovative social investment programs that contribute to generating shared value and well-being. We make use of our expertise and strengths—and collaboration frameworks with other companies, NGOs, governments, and members of the community—to empower people in at-risk conditions and help them become self-sufficient.

## Our social investment portfolio GRI: 4.16

In order to contribute to developing our communities, we have put together a complete portfolio of social investments that includes programs and activities under two main pillars: inclusive businesses and actively participating in the development of sustainable communities.

### CEMEX Latam Holdings social investment portfolio



## We constantly optimize our portfolio of community development projects GRI: 4.16

We are committed to permanently evaluating our community development programs, seeking to maximize the benefits for both the community and the company. In Colombia, for example, we use exploratory surveys and dialogues with our neighbors in order to evaluate the effectiveness of our actions. To focus our resources and concentrate on having a greater positive impact, we evaluate our community development programs using the following criteria:

- **Pertinence:** Does it respond to a need identified in the community?
- **Relevance:** Is it important for the community and the company?
- **Effectiveness:** Does it comply with the objective for which it was created?
- **Sustainability:** Is it economically self-sustainable?
- **Innovation:** Does it have innovative components as compared to other social programs?
- **Quantitative impact:** Does it cover an important part of the people in the community?
- **Qualitative impact:** Does it generate observable effects?
- **Developing capabilities:** Does it allow the population to acquire knowledge and abilities?
- **Generating value for the community:** Does it generate value for the community in economic, social, and cultural terms?
- **Generating value for the company:** Does it generate value for the company in economic and reputation terms?

As a result, CEMEX Colombia has consolidated a portfolio of 10 programs—reduced from 20—proven to have the best results in terms of empowering individuals and their families and contributing to building self-sufficient communities. Resulting from this change, in 2013 we were able to guarantee that 88 percent of the resources allocated to developing and strengthening our communities would truly be invested toward this end. Correspondingly, we are promoting an efficient management framework through which we are able to have strict control, minimize our expenses, and have a greater positive impact on each community.

## Local supply, the best way to contribute to developing our communities

We constantly seek for ways in which to work with small and large suppliers located in the areas of influence of our operations in order to generate jobs, stimulate the local economy, and favor the development of new and better capabilities of the region's labor force. For example, in Colombia we supply 43 percent of our inputs from locally based suppliers and close to 90 percent with domestic suppliers.

In Costa Rica, we prioritize small and medium-sized community companies when we purchase our products and services. Consequently, we have witnessed the birth of new local companies that today are generating jobs in the area. One of our success stories is ADIME, in which a group of five women started by collecting reusable wastes in our plant in Colorado de Abagares, and grew their business so much that they are now in charge of collecting all the recyclable materials in the whole of the Abagares community.



## Inclusive businesses

One of the most important ways in which we help reduce poverty is by giving low-income individuals and families access to self-construction programs and high-quality building materials. Toward this end, we have created programs that align our values and commercial business goals with the needs of the communities in which we work, generating sustainable long-term benefits for both the communities and the company. We have three inclusive businesses that help families and communities to build or improve their own homes and the community infrastructure, while at the same time receiving additional social benefits such as jobs and training. With our *Patrimonio Hoy* and *Bloqueras Solidarias* programs and through the Assisted Self-Construction Integrated Program, we provide affordable, comprehensive solutions to the construction needs of low-income families and we encourage self-construction and collaboration networks that promote human development and community values.



## Patrimonio Hoy: building quality of life

*Patrimonio Hoy* is our flagship social business. Its goal is to help low-income families improve their quality of life through access to housing with comprehensive, affordable, and efficient solutions for building and improving their own homes. These solutions include microcredit to buy building materials at affordable prices, technical assistance in self-construction, and efficient access to better materials. Implemented in the region since 2005, *Patrimonio Hoy* is proof that, with the right help, whole families and communities are able to develop the necessary knowledge and financial discipline to substantially improve their quality of life through better housing.



### Benefits offered by *Patrimonio Hoy* to have better access to housing:

- Technical assistance for self-construction
- Access to microcredit for buying building materials at fixed prices
- Access to a wide array of excellent-quality building materials
- Home delivery of the materials, and vouchers to keep the materials in our warehouses

### Benefits that will continue to multiply

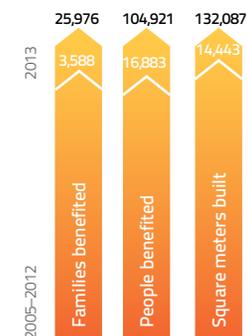
During 2013, we set the foundations to multiply the number of households that receive the benefits offered by *Patrimonio Hoy*. We began connecting *Patrimonio Hoy* with more than 220 Construrama® stores in Colombia, which has allowed us to be closer to our clients and to offer them greater value. Furthermore, in order to manage the program more efficiently, we upgraded our computer system by migrating to SAP, and we implemented a new toll-free line to offer greater support and better service to our affiliates.

## CEMEX's commitment to the Millennium Development Goals

As part of the efforts carried out by CEMEX globally to contribute to reaching the Millennium Development Goals, the company has joined the Business Call to Action (BCtA) to ensure that more than 150,000 low-income families have access to safe and affordable housing by the year 2016. CEMEX is the first company to join this calling through two initiatives: expanding the innovative Assisted Self-Construction Integrated Program and involving the award-winning inclusive business known as *Patrimonio Hoy*.

**+100,000**  
people have built or improved their homes with *Patrimonio Hoy* since its launching, in 2005

### Patrimonio Hoy program results



*Bloqueras Solidarias* combines in a single program the solution to two of the most important incentives in human beings: having a job and owning a home.

## **Bloqueras Solidarias: self-employment and housing in one program**

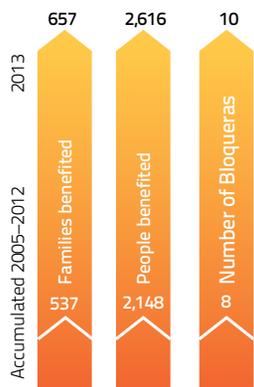
Through *Bloqueras Solidarias*, participating families can play an active role in their own growth. Participants are families with incomes of two minimum wages or less who get technical support, training, and raw materials to be self-employed making concrete blocks to build or improve their own homes. In return for their work, participants can keep 50 percent of the blocks they produce, and the other 50 percent is sold to institutions we partner with. Proceeds are used to buy raw materials to produce more blocks as well as other construction materials.

One of the most relevant benefits of the program is that it is designed to be easily replicable—since it is financially self-sustainable—which is why we were able to grow considerably in 2013. In Colombia, we began operating a new office and established the basis and agreements with local governments to open three additional ones in 2014, for a total of eight *Bloqueras Solidarias* in this country, which together benefit more than 500 families during the year. At the same time, we began building the first *Bloquera Solidaria* in Nicaragua.

**657** families have benefited since *Bloqueras Solidarias* was launched, in 2010



### **Bloqueras Solidarias results**



### **How is a *Bloquera Solidaria* installed and operated?**

#### **1. Agreement and installation**



- Governments, NGOs, and companies interested in participating in developing productive community projects sign a collaboration agreement with CEMEX Latam Holdings to contribute the goods, services, or financing needed for installing a *Bloquera Solidaria*.
- CEMEX Latam Holdings co-finances the machinery needed in order for the *Bloquera Solidaria* to function, and provides the materials and training.

#### **2. Production**



- The community puts up the labor and teamwork. In exchange participants receive 50 percent of the blocks produced to build their own homes.
- CEMEX Latam Holdings carries out technical and quality testing, supervises, and manages the operation.
- Governments, NGOs, and the other companies make the project sustainable by buying the other 50 percent of the blocks produced.

#### **3. Moving to a new community**



- CEMEX Latam Holdings, in collaboration with the community, the governments, the NGOs, and the other companies, evaluates the coverage of the program in the community and decides whether it should continue or move on to another community.

## Assisted Self-Construction Integrated Program: empowering families and individuals

The Assisted Self-Construction Integrated Program (PIAC) was developed to empower families by providing them with all the necessary tools to build their own homes, including financing, materials, and expertise. PIAC offers access to additional building materials through the *ConstruApoyo* program, as well as training and additional supervision by architecture and civil engineering students through the *Construimos Juntos* (Building Together) program. In 2012, we began operating the first PIAC in the region, based on the *Bloqueras Solidarias* located in Armenia and Tebaida, in the Colombian coffee region.



# 294

families benefited during the first two years of operation of PIAC in Colombia

### How does the Assisted Self-Construction Integrated Program work?

#### 1. Bloquera Solidaria



The *Bloqueras Solidarias* offer an innovative solution for families whose income is below two minimum wages, allowing them to improve their housing by making concrete blocks themselves.

#### 2. ConstruApoyo



Through a pre-charged card, sponsored by an institution partnered in the project, the families gain access to buying the rest of the building materials (such as rods, steel, covers, cement) needed to build or improve their homes.

#### 3. Construimos Juntos



We engage architecture and engineering students at the universities in the area to offer training and technical assistance to the families involved, and to support them during the self-construction process.



# 100%

of our cement plants throughout the region operate under community engagement plans



## Actively participating in developing sustainable communities

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. In order to fully understand the needs and concerns of all our locations and to actively contribute to developing sustainable communities, we establish a dialogue with our neighbors that begins before opening any of our operations and continues during the period in which they operate and also after we close them.

## Maintaining a direct, permanent, and productive dialogue with our neighbors

Invited by CEMEX Colombia, the neighbor committees allow us to strengthen our relationship with the communities through a transparent and open dialogue. We meet once a month with

Through our *Voces* magazine, in Colombia, we are able to communicate to our neighbors the progress made in our environmental work and our community development programs.



representatives from different sectors in the community to discuss topics of mutual interest, listen to their concerns, and show them how the community development programs we have implemented are coming along. Through the direct and open communication established by our community relations coordinators in all our cement and aggregates operations, we can develop specific programs geared toward solving the needs of our neighbors. During 2013, we organized 34 neighbor committees in Colombia that helped us frame the decisions affecting our communities. Listening and monitoring the requirements, complaints, and demands of our stakeholders is an engrained commitment, and in the future we will continue to strengthen community engagement through permanent, transparent, open, and committed dialogue.

In Costa Rica, 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. In 2013, 900 people participated in guided tours of our operations.

## CEMEX 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 2013, in Colombia, we contributed with training and entertainment for 8,009 boys, girls, young people, mothers, and senior citizens, who participated in different activities such as dancing, music, learning systems, handcrafts, and reading in our community centers in Bogota and Payandé, in Tolima.

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

In Panama, we will open our first community center in 2014, and it will benefit the communities neighboring our cement operation located in Calzada Larga, Chilibre. This center will contribute to expanding the company's social programs and will generate learning and communal living, centered on projects through which the beneficiaries will be able to develop abilities that will help them generate income and promote personal growth. The center will have specialized classrooms for computing, sewing, beauty school, and cooking. Additionally, other general areas will be used to make presentations or for holding training sessions and seminars, among other activities. Furthermore, it will include two offices dedicated to serving the community.

## Godparenting Plan

Through the *Plan Padrino* (Godparenting Plan), we strive to improve nutrition for children in high-risk conditions who live in communities close to our operations, and we grant them scholarships to buy school supplies. Through a monthly contribution made by our volunteers, we make sure the children get a daily meal with the nutrients needed for their physical and intellectual development. The program also develops recreational workshops for the children and their families, and the integration between the godparents and the godchildren, promoting a closer relationship between our employees and the community. Currently in Colombia we are benefiting 80 children in Bucaramanga and Los Patios, Norte de Santander. In Panama, more than 280 children are receiving the benefits of this program.

## Our volunteers make the difference

Our volunteer program serves as a platform to motivate our employees to become agents of change and to actively participate in improving their communities. The program is open to all employees and to their friends and families to participate in projects related to developing community infrastructure, contributing with resources for education, training beneficiaries so they can be self-employed, and caring for the environment.

## Infrastructure for developing sustainable communities

Developing the basic social infrastructure needed to build sustainable communities and improve quality of life for the families neighboring our operations is particularly important for us. We have different programs in place that contribute to implementing the programs needed to improve quality of life for the families living in the communities where we operate.

To improve the infrastructure of the communities in which we live and operate, we partner with education institutions, municipalities, NGOs, and our neighbors in the communities. In Colombia, during 2013 we were able to leverage with our partners 51 percent of the resources allocated to community infrastructure projects.

In Panama, we have been working with the federal government and the community since 2008 in the *Paso Seguro* (Strong Step) program to upgrade more than 30 kilometers of streets, roads, paths, and pedestrian crossings for the communities neighboring our operations.

**+250** employees are now part of the CEMEX Latam Holdings, volunteer network in Panama and Colombia



On the other hand, through the *Embellendiendo mi Comunidad* (Making My Community Nicer) initiative we have improved, in collaboration with the community, the common areas in their surroundings such as parks and other facilities.

In Costa Rica, we work hand in hand with the local governments, development associations, committees, and organized groups to carry out projects that promote development and improvements in community infrastructure, including upgrading streets, building sidewalks, remodeling education centers, and building community areas.

In Colombia, the goal of the Improving Community Infrastructure program is to guarantee the active participation of the community in local infrastructure projects in harmony with the philosophy of not implementing charity programs but rather programs that contribute to the development and participation of the community. Because of the good results this program has had, and because it contributes considerably to reaching our social responsibility goals, we decided to increase funding for these projects in 2013. We increased the number of improvements given by 109 percent, growing from 21 projects in 2012 to 44 in 2013.



**+17,000**

trees planted in Nicaragua that will give Managua a new green lung

## Promoting environmental stewardship

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

In 2013, CEMEX Nicaragua planted 17,000 trees in the municipality of San Rafael del Sur through its 2013–2016 Forest Initiative, “In harmony with nature.” The proposal is promoted 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. The goal of the program is to plant a total of 66,000 trees between 2013 and 2016 in order to reforest more than 65 hectares in the municipality of San Rafael del Sur, located 46 kilometers from Managua, the capital city, which will give it a new green lung and will contribute to the recovery of local flora and fauna

In Colombia, the *Sembrando Futuro* (Seeding the Future) program contributes to forming environmental stewardship leaders. Through a series of workshops, children and youngsters from neighboring communities learn to care for the environment and at the same time promise to promote, through example, the importance of recycling and water conservation. Participants also commit to caring for the trees planted during reforestation campaigns held in their communities. In 2013, 26 schools participated in the program, benefiting more than 1,600 boys and girls.

In Panama, we annually collaborate with the initiatives carried out by the National Environmental Authority to promote June as the Month of the Environment. In order to stimulate awareness of how important it is that we protect our planet, in the framework of this celebration, every year we donate to different parts of the city of Panama approximately 1,500 trees, of which 50 percent come from our own nursery.

In Costa Rica, we participate in the Environmental Education Program, which we carry out in collaboration with the Cipanci Wildlife Shelter and with the support of the Ministry of the Environment, Energy, and Oceans of Costa Rica. This initiative includes training and environmental campaigns for children in 11 schools located close to our operations.

## Generating revenue for the community through the sustainable use of resources

Since 2012, CEMEX Colombia has centered its efforts on developed environmental projects that generate supplementary income for the communities in which we operate and encourage the exploitation of the land through the use of sustainable processes. Today we have four projects, for which during 2013 CEMEX Colombia granted 5 percent of its budget as seed capital and raised 95 percent of the resources in collaboration with other partners.

In order to contribute to improving competitiveness in the agricultural sector of La Calera, Cundinamarca, we operate a biofertilizers factory in partnership with the municipality, the Municipal Unit for Agricultural Technical Support, and the Yanapaqui corporation. In 2013, 209 people in six different communities benefited from the production of natural fertilizers that improve the productivity of local crops. On the hand, Urban Agriculture and Biotransformation is a comprehensive program with a social, environmental, and economic impact, whose objective is to actively involve at-risk families in better living conditions. By operating modules for producing and cultivating worms in Norte de Santander, 100 families have been able to convert their home gardens into centers for producing organic foods. Finally, in collaboration with the network of farmers in Usme, we participate in a social business that cultivates and markets organic onions. At the same time that we operate the Tunjuelo mine, in Southern Bogota, 130 farmers are in charge of sowing and cultivating organic onions in a 2,500 square meter plot of land that generates revenue for the community and promotes clean agricultural techniques in a sustainable operation.



In Nicaragua, Costa Rica, and Colombia, we have partnered with ANSPAC (*Asociación Nacional Pro Superación Personal*), an association that promotes self-improvement in women. In collaboration with this international organization, we offer courses for the women in our neighboring communities to help them increase their income through developing abilities and jobs that then contribute to improving quality of life and the creation or expansion of micro-businesses. During 2013, more than 200 women benefited from these courses.

183

construction site foremen have been certified and professionalized by completing the Building with Concrete course

### Elevating quality of life through education and sports

We are committed to promoting basic capabilities in the communities in order to ensure sustainable growth. We help our neighbors with educational and sports programs that contribute to unity in the communities and to forming new opportunities for growth.

### Improving employment opportunities

In Costa Rica, we offer technical workshops for women in the communities close to our operations, so that they can learn a trade and generate additional income for their homes. The workshops, organized in collaboration with the National Learning Institute, grant a certificate that is valid in the job market. Every year, we train an average of 600 women in different job skills.

In Colombia, our *Programa de Desarrollo de Habilidades Laborales* (Job Skills Development Program) develops practical capabilities that result in better job opportunities. Organized in partnership with the National Learning Service, the first group graduated in 2013, and it was made up of 153 students who took classes on topics required by local industries and commerce, including operating heavy machinery, occupational health and safety, electromechanical maintenance, balloon-twisting techniques, doll-making techniques, and makeup and haircut techniques. Some graduates will have the opportunity to continue learning through internships in CEMEX Latam Holdings' operation.

Furthermore, in Colombia since 2007 we have been offering a course on Building with Concrete, in agreement with Javeriana University, in order to promote the professionalization of the construction foreman job. The course offers tools and knowledge that make a difference and help participants carry out their job better. The course, which includes visits to CEMEX Latam Holdings' concrete and cement plants, offers 110 hours of training in applied mathematics, cement, concrete, special structures, prefabricated concrete, quality control, industrial safety, and social responsibility, among other things. In 2013, 29 men and women participated in this course, for a total of 183 people certified since 2007.



### CEMEX sports schools

The CEMEX sports schools contribute to the integral development of children through physical education, the promotion of learning through sports, and the encouragement of a culture of discipline and punctuality. For the schools to work, we contribute coaches, uniforms, equipment, and the fees needed to organize tournaments for different sports, including soccer, swimming, and basketball.

In Colombia, at year end 2013, we benefited 2,173 children, who participated in eight sports schools. Furthermore, with the three soccer fields we have in the south of Bogota, we benefited 64,411 people in 11 locations, for a growth of 46 percent, as compared to 2012. In Costa Rica, in April 2012 we opened the first soccer school in the community of Peñas Blancas. We contributed to the rehabilitation of the sports field in a community that today has more than 80 children participating in different categories. Also in 2012, we began operating sports schools in Panama. More than 130 children and youngsters in our neighboring communities have benefited from this initiative. Additionally, the CEMEX Latam Holdings volunteers teach the children topics such as values, health, and safety. In Nicaragua and Guatemala, we have baseball and soccer academies, respectively, that promote the development through sports of more than 150 children in a healthy and recreational environment.

A photograph of two men in a construction or industrial setting. The man on the left is wearing a white hard hat with the CEMEX logo, safety glasses, a light blue shirt, and an orange high-visibility safety vest. He is holding a laptop and pointing at the screen. The man on the right is wearing a white hard hat, safety glasses, and a blue denim work shirt. They are standing in front of a large stack of blue bags of cement, each with the CEMEX logo. The background shows a concrete surface and the wheels of a truck.

## partnership with key STAKEHOLDERS

GRI: 1.2, 4.15, 4.16

We listen to and build productive and long-term relationships with stakeholders to successfully address their needs and concerns.

With a team of committed and well-trained employees, at CEMEX Latam Holdings we work closely with our customers, suppliers, and a wide range of institutions and people to complement our competencies and increase our ability to respond to their needs and concerns. At the same time, our close collaboration with our communities allows us to find new methods to reduce our impact and implement new initiatives that produce tangible social benefits, thus building a more competitive company and contributing to sustainable growth in the region.

Because we believe in our people, we create programs that promote their growth

GRI: 2.8, 4.15, 4.16

Our employees are the driver behind the success of CEMEX Latam Holdings. The talent, energy, and vision of each of them make us what we are: the leading company in building solutions, with a proud past, a solid reputation, and a brilliant future. We promote the growth of our employees and their commitment to the company by listening to them and addressing their concerns, and by offering a challenging work environment and opportunities for growth.

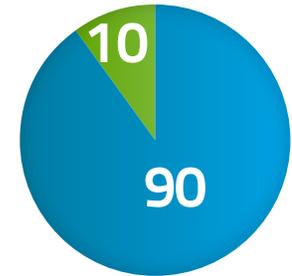
The growth of CEMEX Latam Holdings over the past three years, which was needed in order to support our renewed commercial offering and to transform us into the best building solutions company, has resulted in an increase in the number of employees to 4,391.



CEMEX Latam Holdings employees GRI LA1

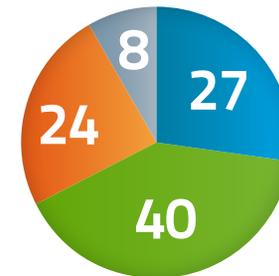
4,391

employees make up the CEMEX Latam Holdings team



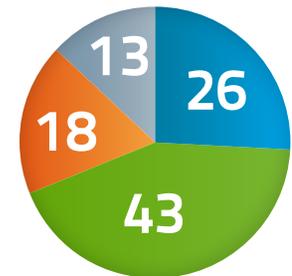
By gender (%)

- Men
- Women



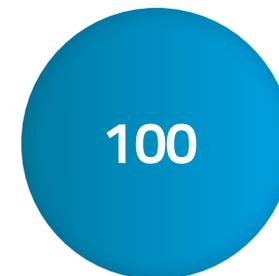
By age (%)

- <30
- 31-40
- 41-50
- >50



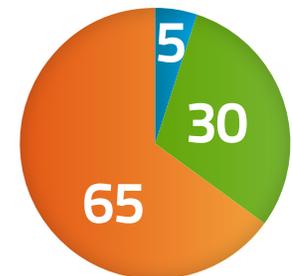
By seniority (%)

- <1
- 1-5
- 6-10
- >10



By type of contract (%)

- Full-time
- Part-time



By level (%)

- Executive
- Non-executive
- Operating staff



## We listen to our employees



We have created collaboration programs in order that maximize the knowledge base and experience of our employees in order to develop value-generating initiatives.

In addition to reinforcing the work philosophy of CEMEX Latam Holdings in all our employees through different communication channels, we constantly ask them for feedback on issues as diverse as ethics and innovation, based on their area of work and expertise.

We have created collaboration schemes that maximize knowledge and expertise in our employees to develop value-generating initiatives. For example, we use an online collaboration platform known as Shift, through which our employees can share and be a part of company projects and communicate their experiences, ideas, information, and best practices. Shift works like social media and was designed to build a more innovative, efficient, and agile company by establishing strong relationships between employees in different divisions or countries.

We also have blackboards and television screens in our operations on which we constantly publish interesting information, including special safety and health campaigns, training programs, applications for scholarships, vacancies, tournaments, sports, and family activities. Finally, through our suggestion boxes we listen to concerns, and these are a direct channel through which our employees can actively participate in our continuous improvement processes.

## *Más para ti*, the best value offering for our employees

Convinced as we are that the growth and good results of CEMEX Latam Holdings depend on the hard work and determination of each one of our employees, we offer the *Más para ti* (More for you) program. Designed as a platform to promote initiatives that contribute to an optimal working environment, greater well-being, and continuous possibilities for personal growth for all our employees, *Más para ti* implements modern human-resources practices in order to promote greater commitment and achieve the best possible results for the company.

*Más para ti* is the result of a dialogue with our employees designed to understand their views and expectations about the working environment, and the analysis of best practices in the work market all over the world. The program addresses the concerns of our employees and at the same time contributes to reaching the objective of becoming the best place to work and being the leading building solutions company.

The value offered by *Más para ti* is part of CEMEX Latam Holdings, evolution toward contributing to growth in the region and to the well-being of the population, since our employees are our main stakeholders and it is through the sum of their daily work that we are able to turn the goals of the organization into reality. We are convinced that in a growing work market, attracting and retaining talent requires not only competitive wages and benefits, but also additional elements that contribute to generating a sense of belonging and commitment.



To offer greater benefits to all our employees, the *Más para ti* program is based on five pillars:

**More time** offers additional terms beyond those stipulated by law to carry out personal and family activities, striving for a work-life balance. Some of the terms include the Mothers Program, family days, and time bonuses.

**More benefits** offers a wide range of benefits to our employees, with emphasis on their well-being and the well-being of their families. To remain at the cutting-edge in terms of scope and market competitiveness, we constantly renew our benefits offer.

**More growth** offers growth opportunities that are both aligned with the strategy and attractive for all levels of the organization. It includes programs for advanced and technical courses, based on the employees' needs; developing managerial skills; seminars for the sales force and the plant managers, and language courses to ensure the continued growth of our human resources.

**More career** establishes a transparent framework of access to opportunities for growth at different stages in the professional career, through talent-planning processes and by rewarding meritocracy. We apply surveys among our executives to identify and support their professional interests for the short, medium, and long-term. Additionally, through our talent-planning processes we are able to evaluate the performance of our employees and identify future successors to executive positions, reiterating our interest in retaining the best talent. Finally, we created a policy to communicate in detail all recruiting processes.

**More environment** makes sure the working environment promotes commitment, does away with silos and organizational levels, rewards accomplishments, and protects ethics. To encourage an optimal working environment, we recognize seniority, organize talent shows and academic competitions, carry out family sports activities, and promote casual dress codes and volunteer programs.



In 2013, CEMEX Colombia incorporated the tool known as UNICEMEX, which offers short courses, workshops, and conferences in which anyone can participate. The programs, which are developed by specialized institutions, include training in Excel, PowerPoint, assertive negotiations, effective presentations, teamwork, mentoring, time management, and emotional intelligence.

### Greater commitment from our employees

During 2013, we launched a renovated engagement survey through which employees play an active role in shaping the workplace environment. The enhanced survey not only measured engagement and performance across our operations, but also it explored other key features of our organizational strategy and culture behaviors, including work-life balance, empowerment, performance management, and growth and development, as well as compensation and benefits.

Central to empowering managers is sharing the results of the survey with local business leaders and human resources professionals. We train survey champions to support our business units in better understanding the results and, more importantly, to create, communicate, and evaluate strong action plans geared toward improving the workplace environment.

One of the main attributes of the 2013 survey is that questions were designed to provide clear, actionable information, translating into faster implementation of plans to enhance communications, build stronger teams, have a deeper knowledge of the company's strategy, and improve job performance. If we are able to get employees to strengthen their commitment, we increase retention and, ultimately, create a seamless leadership line of succession that helps build a long-term superior-performance organization.

CEMEX Colombia is currently positioned in the top 20 companies in the MERCOPERSONAS best place to work index. For more information, visit the [Merco website](#).

## The key to our success: learn, improve, evaluate

GRI: LA12

At CEMEX Latam Holdings, we promote a culture of high performance. To help our employees comply with this standard, we offer them the tools needed to carry out their jobs and have challenging experiences, professional guidance, technical training, and interaction with trained personnel. We consider this experience to be the driver behind growth, and that is the reason why we encourage employees to seek opportunities for progress in the whole company, by participating in internal recruiting processes to fill vacancies. We help our employees reach success with comprehensive support and professional guidance by their direct supervisor, department head, or the human resources division, and we offer automated feedback that measures performance throughout the year as compared to the goals set.



Our administrative staff has access to an online system, through our intranet, to receive formal evaluations from their supervisors.

From a professional growth perspective, all CEMEX Latam Holdings employees are evaluated and expect to receive feedback concerning their goals and performance. Our administrative staff has access to an intranet system through which they receive formal evaluations from their supervisors. Our operating staff also receives regular performance evaluations from direct supervisors. Additionally, we implement growth plans geared toward improving supervision capabilities in our managers, emphasizing topics such as feedback, recognition, and teamwork.

Our Role Model Supervisor program provides mid-level supervisors with tools to develop management, leadership, and feedback skills, while at the same time solving situations affecting team performance and the work environment in their operations. On the other hand, the objective of our Managers Program is to provide our executive team with the tools needed to further develop their management and leadership skills.

### Professional growth: a personal decision GRI: LA12

The Career Building program helps our employees and work teams take responsibility for their own career growth within the organization. The program guides and supports employees during the year by opening up four key aimed at empowering employees to maximize their talents and abilities, thus benefiting their professional careers. The first conversation is focused on aligning their personal goals with the goals of the work teams and with the company strategy so that each of our employees makes a contribution to reaching new goals through individual performance. The second conversation





invites employees to state their own personal development measures that will help them improve their weaknesses so that work teams are prepared to reach their objectives. The third conversation reviews the progress made in reaching mid-term goals and updates those goals. Finally, the fourth conversation closes the cycle by evaluating individual and teamwork performance and offering feedback.

### Strengthening the decision-making process

As part of the Executive Program implemented in Colombia during 2013, 90 directors and managers met to discuss current key issues pertaining to the company and to Colombia, including leadership, innovation, engagement, communications media, strategy, and the country's political, economic, and social developments. The program includes five main objectives to strengthen the vision of our executives on key issues, including the decision-making process within the company:

- Build leadership and performance within the executive group
- Strengthen team management and develop new leaders
- Ensure we are all well-informed on key issues in the country
- Reinforce alignment with the strategic agenda
- Support the construction of internal engagement networks

### Commercial tools to improve performance

To drive our renewed portfolio of solutions for the construction industry, during 2013 we leveraged the *Academia Comercial CEMEX* (CEMEX Commercial Academy) to invigorate the company's sales force throughout the region. The program strives to strengthen commercial competencies and develop a common sales language for offering the same high-quality service to all our clients. By implementing a multi-annual training program, the academy is focused on reinforcing key aspects in customer service with all our sales teams in order to help deploy new products, services, and solutions.



### Strengthening the sense of belonging

Through our *Enlázate* (Get Engaged) program, our administrative staff at the Bogota office can gain experiences that allow them to better understand the complete portfolio of commercial initiatives we have launched in recent years and to experience firsthand our new commercial strategy. Within the different work modules, we include visits to Construrama®, *Patrimonio Hoy*, *CEMEX en su Obra*, the Ibagué cement plant, community centers, and infrastructure and housing projects. Through the *Enlázate* program, we align our employees with the solutions we offer for the construction industry, strengthen our sense of belonging, and bring the administrative staff closer to the day-to-day operation.

## Connecting with our customers

GRI: PR5

Our commitment to our customers is a key driver behind our creativity and work in search of better solutions for the construction industry. From building houses and developing sustainable communities, to improving, renovating, and building infrastructure, and through other commercial and industrial applications, we strive to create value for our customers by concentrating on offering comprehensive solutions for their construction projects.



## We listen to 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. In 100 percent of the countries in which we operate, we apply random surveys to measure service and obtain feedback from our customers to evaluate their level of satisfaction with respect to our compliance with delivery dates and times. We make a continuous effort to improve the satisfaction of our customers, by facilitating the planning, execution, and management process for their construction projects. We work to identify and implement measures that generate value and efficiently respond to market needs.

# 100%

percent of our cement operations are ISO 9001 certified

## We share knowledge about construction technologies and concrete

We carry out training sessions for our customers through which we are able to give them current information with respect to construction and concrete technologies, including on-site quality control, managing and installing concrete, building concrete pavements, building industrial floors, and using concrete for industrialized systems. On the other hand, we have designed a program for our customers, suppliers, distributors, students, neighboring communities, and other interested parties to visit our cement plants.

Since 2007, for example, CEMEX Colombia has had an agreement with the Javeriana University through which we offer a course on building with concrete, the objective of which is to promote the professionalization of construction site foremen, offering the tools and knowledge they need to make a difference in the work they perform. Men and women between the ages of 28 and 50 can attend this course, and they receive 110 hours of classes in applied mathematics, cement, concrete, special structures, uses of prefabricated concrete, quality control, industrial safety, life projects, and social responsibility. Furthermore, the *Cátedra CEMEX* (CEMEX Chair) at the Colombian School of Engineering and Javeriana University makes presentations to civil engineering and architecture students on modern and innovative solutions for the construction industry.



## Technology for better service

We rely on technology to offer better service to our customers. In Colombia, for example, by making a call to our Service Center our customers can place an order, report a payment, make a consultation, or review the status of their order. We notify our customers via automated SMS text messages 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 the delivery of materials.

Starting in 2012, we included on our Internet sites service platforms for our customers, through which they can:

- Register a complaint with any of the company's divisions
- Ask for certificates—including quality certificates—and for visits by the sales department
- Place an order and select the required delivery date
- Generate account statements and view the details of their invoices and specific receipts
- Produce graphic reports on consumption of the previous months, which can be exported to Excel or PDF files
- Receive news, interesting articles, and information on CEMEX Latam Holdings, its products, and services

For more information visit:

[www.cemexnicaragua.com](http://www.cemexnicaragua.com)  
[www.cemexpanama.com](http://www.cemexpanama.com)  
[www.cemexcostarica.com](http://www.cemexcostarica.com)  
[www.cemexcolombia.com](http://www.cemexcolombia.com)



## Building a sustainable supply chain

GRI: EC6

We are aware that our responsibility toward sustainability is not limited to our production activities, but rather that it extends to the operations of our suppliers. We address this responsibility by implementing strong programs that promote the development of a sustainable supply chain.

We establish strategic and long-term partnerships with suppliers and contractors that promote mutual growth and sustainable practices. On the one hand, we implement sustainability principles in our purchases and hiring practices that help our suppliers develop more competitive operations both domestically and internationally. On the other hand, we train and contribute to developing local suppliers that help us optimize our supplies in terms of quality, price, and efficiency, and we receive their valuable point of view of the local market, experience, and best practices.

## We choose to work with sustainable suppliers

GRI: HR2, SO2

The most important step we have taken to make sure our suppliers and contractors have sustainable practices has been to include sustainability criteria, additional to the traditional financial and technical parameters, when evaluating and selecting them. Today, in 100 percent of the countries where we operate, we use social and environmental criteria in selecting suppliers and contractors.

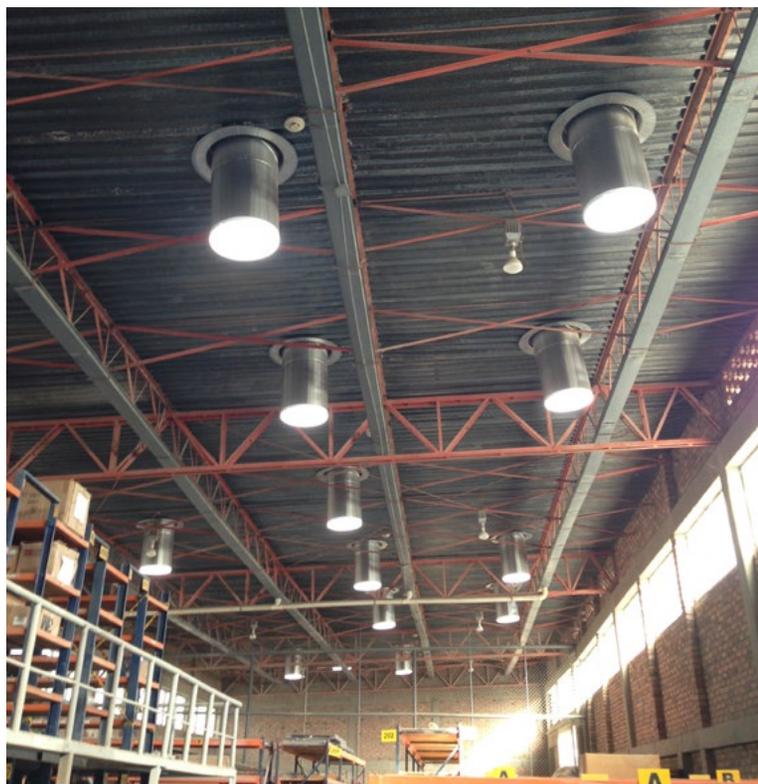
For example, the sustainability criteria included in our evaluation matrix currently account for 25 percent of the total weight in the evaluation of a potential supplier and are an objective way of promoting the development of a sustainable supply chain.



## We listen to our suppliers

In order to generate synergies with our suppliers, the procurement division of CEMEX Latam Holdings developed the *Intégrate* (Participate) innovation project. This project helps motivate suppliers to participate with proposals for improvement for any of our operating divisions. The proposals are meticulously evaluated by a group of company experts based on different criteria, including financial feasibility, sustainability, ease in implementation, innovation, short-term benefits, and the potential to be replicated in other countries where we have operations.

The projects with the best proposals are implemented in our operations. In 2013, for example, we implemented in our Cúcuta operations the project that won the contest in Colombia, which was proposed by the company IDT Eléctrica LTDA. The project consisted of installing Solatube lamps in order to take advantage of solar light inside of closed areas, resulting in a considerable reduction in the consumption of electric energy and in costs.



We strive for the sustainable practices we implement to extend beyond our operations. We have different supervision channels to monitor and make sure the commitments we have adopted are fulfilled:

1. For suppliers and contractors that work within CEMEX Latam Holdings' operations, starting in 2012 we included an evaluation tool to monthly monitor and evaluate compliance with labor obligations and human rights. The audit shows the degree of compliance with regulations in regards to paying work benefits, legal payments, and child labor, among other things. In 2013, we reinforced the supervision of our suppliers and contractors that operate in the mining zones by structuring and certifying a series of requirements, in compliance with the labor and environmental regulations to offer their services.
2. Additionally, we randomly follow up on the performance of our suppliers with an annual evaluation carried out by an independent external agency, which includes, besides an evaluation on the agreed-upon financial and technical conditions, supervising the payment of work benefits and compliance with environmental practices and policies. A commission formed by the local operations and procurement departments periodically analyzes the results and takes corrective action, if needed.
3. As part of our continuous commitment to having safe operations, in each of the contracts with suppliers and contractors we include our Industrial Safety Manual. Furthermore, every six months we evaluate behavior in terms of safety of 100 percent of the suppliers and contractors that offer their services continually within CEMEX Latam Holdings' operations.
4. Finally, starting in June 2011, the main components of the Global Compact are part of the contracts that CEMEX Latam Holdings signs with its suppliers. When the stipulations in the terms of the contract are not fulfilled, CEMEX Latam Holdings can impose fines or even cancel the contracts.

In every case in which we detect deficiencies in strict compliance with the norms and regulations regarding suppliers and contractors, we first monitor the situation in order to resolve it, and, in case there are critical recurrences, we then implement corrective measures that can result in the cancellation of contracts or the working relationships.

## Promoting supplier sustainability

In order to maintain a focus on sustainability, CEMEX Latam Holdings needs to make sure that our supply chain partners share our commitment to this issue. In 2013, the CEMEX Supplier Sustainability Program continued helping us promote and recognize the importance of sustainable practices in our supply chain. It also gave us a valuable local perspective and the unique experience of the industry to help improve sustainability in our procurement and acquisitions practices.

In 2013, the program started in Panama, where we invited our suppliers to participate in a survey implemented by a third party concerning social, environmental, and financial policies. To increase our understanding related to the strengths and weaknesses throughout our supply chain, during 2014 we will expand the evaluation, in terms of the sustainability of our main suppliers, to the rest of the region.

The survey will analyze performance based on the following criteria:

### Social

- Health and safety
- Managing human resources
- Managing employment and develop abilities
- Labor inclusion

### Environmental

- Environmental management and waste treatment
- Water
- Energy
- Interaction with biodiversity

### Supply chain

- Compliance
- Procurement and supply chain
- Responsible social and economic conception of the products and services

### Ethics

- Policies
- Partnership with stakeholders
- Business ethics
- Local integration



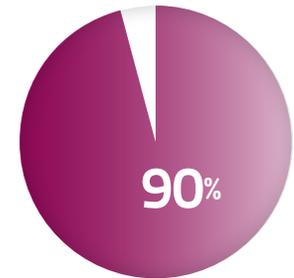
## Productive and long-term relationships with our local suppliers

CEMEX Latam Holdings' commitment extends beyond developing its own supply chain and goes hand in hand with the objective of contributing to the development and growth of the communities neighboring our operations and to competitiveness in the region. We believe that local procurement is in itself a sustainable business practice that generates jobs, stimulates local economies, and guides the development of new and better capabilities for workers.

Whenever possible we strive to work with small and large suppliers located in the areas of influence of our operations. We carry out our business analysis and market studies to identify new potential suppliers located in the population centers surrounding our plants. Furthermore, our negotiation team in the procurement division regularly participates in events designed to identify and evaluate potential local suppliers, particularly small and medium-sized companies that comply with the legal, financial, organizational, industrial safety, and labor criteria to participate in our training and development programs.

## Entrepreneurial Development Program

During 2013, we began a growth phase of the *Programa Desarrollo Empresarial* (Entrepreneurial Development Program)—which began in Colombia a year before—by taking it to Costa Rica. Through the Entrepreneurial Development Program, we help local suppliers strengthen their business strategy and integrate sustainable practices within their operation. The courses, tailored to the needs of the small and medium-sized companies participating, are taught by CEMEX Latam Holdings in collaboration with local partners—in



In 2013, we acquired close to 90% of our supplies from suppliers based in the countries where we operate

Colombia, for example, we work in collaboration with La Sabana University, the Chamber of Commerce, the National Learning Service, and the National Association of Industries.

Through this program, we small and medium-sized companies offer tools and expertise that help them gain competitiveness in domestic and international markets. Two years after having begun the program in Colombia, we have success stories, and we have offered additional tailor-made training to these outstanding companies, which, besides consolidating their presence in the domestic market, have started becoming suppliers to CEMEX Latam Holdings throughout the region.

In the Entrepreneurial Development Program, participants strengthen their competitiveness by receiving more than 100 hours of training in key areas including industrial safety, quality, organization, taxes, logistics, finances, and inventory, among other things. They also receive a series of additional benefits, including regular invitations to participate in the domestic and international negotiation processes of CEMEX Latam Holdings, access to preferential payment schedules, invoice discount programs, monitoring and accompaniment in the improvement of indicators, and



# 30

companies have graduated from the Entrepreneurial Development Program since it began in 2012

access to preferential rates for financing with entities that work in partnership with CEMEX Latam Holdings. Through its Entrepreneurial Development Program, CEMEX Latam Holdings will benefit from creating long-term relationships and developing local and regional suppliers that offer better prices and better quality and sustainability levels in the inputs and services they supply.

Starting in 2014, we will considerably expand the scope of the program in two ways: We will reach new countries in the region and we will strengthen our support for small and medium-sized companies. Besides working with companies that have a management structure and an organized operation, we will begin training work with small and medium-sized companies that require mentorship from the initial stages of the start-up of their business. With this we strive to continue—by forming a team with our local partners—strengthening the economic and social development of the communities in which we operate and to grow the percentage of the local supply sustainably.

### Continuous improvement in implementing sustainable practices

Our continuous work to encourage sustainable practices in the operations of our suppliers has been rewarding. For example, in Colombia our potential suppliers have improved their practices, resulting in a considerable reduction in recent years in the percentage of suppliers that are rejected or under special performance conditions with respect to their social and environmental practices—to only 3.1 percent in 2013, as compared to the 9.0 percent of 2010.

# high priority to health and SAFETY

GRI: 1.2



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

The chain of responsibility and supervision in safety and health issues extends down from CEMEX Global. At CEMEX Latam Holdings, this chain is led by the Human Resources divisions, in collaboration with the Industrial Safety and Occupational Health departments—and the commitment of the directors of each of the business units—all of whom are responsible for implementing the industrial safety and occupational health strategies, communicating examples of best practices, giving information on development initiatives, and following up on reported incidents.

# 1.46

was the lost-time  
injury rate for 2013

## Our goal is zero incidents GRI: LA7

During 2012, the increase in the number of concrete operations, the larger vehicle fleet that is currently operating, and the greater number of employees all presented a challenge in terms of industrial safety. The learning curve of our employees and the increase in the risk profile during the beginnings of our new operations resulted in a rise in the lost-time injury rate during that year.

Although we still have work to do, we are proud to report that the measures we took starting in 2012 to strengthen security in our operations has yielded positive results, and during 2013 we registered considerable progress in our safety indexes. During the year, our lost-time injury rate per million working hours was 1.46, a significant improvement from the 3.43 rate of 2012, reflecting an annual reduction of 57 percent in the number of incidents. We regret to inform that in the same period, there were four fatalities of contractors and third parties in connection with CEMEX Latam Holdings activities.



The safety, health, and well-being of our employees, contractors, and third parties hold highest priority for us, and are key factors to the successful development of our operations.

We will continue to strengthen our efforts to prevent incidents, so that our safety standards will keep us well on the path towards to our goal of zero incidents. To continue consolidating the CEMEX Latam Holdings Industrial Safety and Occupational Health strategy, we will continue to work on four lines of action that contribute to promoting safe behaviors in all employees at our operations:

- 1. Managing** through comprehensive systems, through which we are able to establish clear expectations, prevent risks, and closely monitor our action plans in each of the operations.
- 2. Implementing** leadership programs that empower middle managers, senior managers, and directors to take the initiative in protecting the personal safety of their teams and operations.
- 3. Communicating** constantly with employees to make sure they implement responsible behaviors and do their part to eliminate incident risks.
- 4. Promoting** a healthy way of life through control and prevention and self-care, and by incorporating best practices.

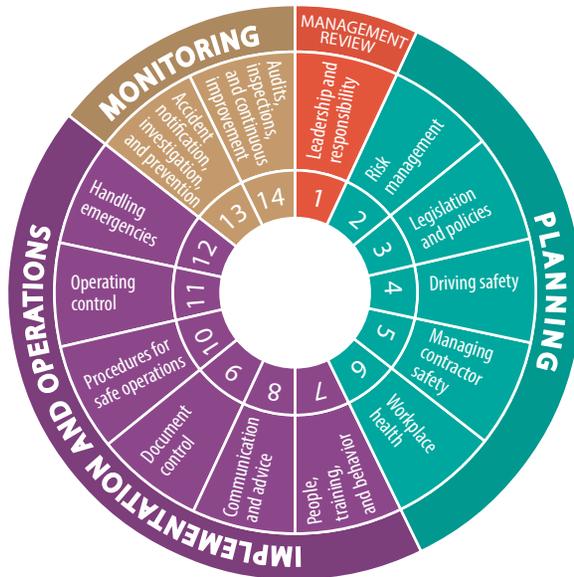
### We operate with robust management systems

The CEMEX Health and Safety Management System (HSMS) is based on the evaluation of potential risks and establishing clear expectations in terms of health and safety. Besides including the performance requirements, the system provides orientation and the tools needed to help our leaders implement CEMEX Latam Holdings' strategy in terms of industrial safety and occupational health.

In line with the OHSAS 18001 standard—the most important international occupational health and safety standard—the HSMS is designed to:

- Identify and reduce risk
- Share best practices
- Unify criteria, speak the same language, and standardize procedures and guidelines
- Improve the health and safety of our employees and the reliability and efficiency of our operations
- Comply with local legislation and strive for international certification

### Health and safety management systema framework



We continually implement awareness efforts directed to the leaders in our operations. We seek to generate greater commitment to the actions taken to improve safety in the plants and make sure they are implemented by strictly adhering to the guidelines established in the HSMS and the legislation of every country in which we operate. Through this effort, we offer greater certitude and provide long term continuity to the industrial safety initiatives, in order to achieve the greatest impact on the established objectives.

## We evaluate incidents to avoid recurrences and at the same time strengthen our HSMS

The goal of the Root-Cause Analysis (RCA) methodology is to get to the root cause and to ask ourselves “4” times “why” the event that produced the incident happened in order to design action plans at the root cause, to prevent their recurrence. We use this methodology for all the incidents that occur at our operations, and it involves the operation leaders, the technicians, and the safety team. We are committed to continuing to implement the RCA methodology to carry out more exhaustive investigations that will help us understand in greater detail the causes behind the incidents, and to identify those aspects of our HSMS that we need to reinforce.



## Leadership drives safe production

We have implemented LEGACY, an industrial safety program designed and developed in order to promote a cultural change in the operation, going from a focus on just “production” to “safe production.”

With the premise in mind that initiatives that are promoted with good leadership are the ones that have a greater impact on performance in occupational health and safety, LEGACY offers the tools and

capabilities required to lead safer and more efficient operations. The two-day course is geared toward middle managers, senior managers, and directors so that they can develop seven behaviors that are key to reaching our safety goals:

- Manage safety personally every day
- Know your processes, and know your people
- Communicate adequately
- Hold yourself accountable
- Train and motivate employees so that they work safely
- Apply discipline in a fair and conscientious manner
- Lead by example and actively

Because we hired new employees during both 2012 and 2013, we are constantly training middle managers, senior managers, and directors through the LEGACY program so that every employee who is in charge of other personnel in the operations will become a leader in industrial safety for the company.

## Safety based on behavior: the 365 System

To try to eliminate incidents caused by human factors, in 2010 at CEMEX Latam Holdings we started implementing the CEMEX institutional program on safety based on behavior: the 365 System. The program incorporates the best initiatives from different safety programs and adapts them to our industry in order to offer our employees, contractors, and third parties the abilities they need to identify, prevent, and correct risky behaviors and dangerous situations in their surroundings.

The system is based on training employees to observe potential dangers and recognize risky behaviors that arise in their day-to-day tasks, in order to prevent incidents while performing their jobs and to improve performance in terms of safety. That is, we observe our surroundings in 360 degrees, for the 5 riskiest behaviors, 365 days a year.

# 97%

of our operations have a functioning SGSS



The 365 System teaches how to identify and correct the risks produced by being tired, complacent, stressed-out, in a hurry, or distracted, thus building safer operations.

In the framework 365 System, department heads are responsible for consolidating the information that comes from different observation processes in order to analyze the results of the program, define solutions, protect resources, and implement action plans that contribute to correcting risky behaviors. Finally, we monitor the results through management indicators that contribute to establishing standards of performance and implementing improvement actions.

### **We evaluate leadership systematically**

To implement LEGACY and put the seven behaviors responsible for into practice, CEMEX introduced the Visible Felt Leadership (VFL) program. This program, which we have been implementing at CEMEX Latam Holdings since 2013, offers the tools that company directors and managers need to go out into the field and observe the behavior of their employees and provide them with feedback about their good or bad practices in the operation. The objective behind VFL is to leverage the leadership of our directors and managers and influence better behaviors in every employee.

Through the clear and direct actions of our directors and managers, VFL provides a constant, conscientious, and positive focus on industrial safety in the different activities and responsibilities of our operations.

Additionally, to measure the level of commitment and involvement of our middle and senior managers in the industrial safety of our operations, at CEMEX Latam Holdings we use the Safety Leadership Index (SLI). This tool quantifies and evaluates participation of middle and senior managers in issues concerning safety in the operation, their pull to create a more robust safety culture, and their contribution toward eliminating inappropriate behaviors. The indicator evaluates performance of middle and senior managers based on three criteria: field supervision of the work teams and feedback, number of man-hours offered in training, and compliance with a series of minimum safety requirements in the operation. The index is leveraged in the conversation as a productive tool that helps our middle and senior managers guide their work teams to correct inappropriate behaviors in the operation.

Implementing the Visible Felt Leadership program and the Safety Leadership Index indicated an important change in the way in which we manage industrial safety in our operations and contributed greatly to improving our safety indexes during 2013.

## We improved safety behaviors in contractors and third parties



We constantly aim to apply to our contractors and third-parties the same guidelines we use to develop safe behaviors among our employees. Our objective is to improve the standards under which everyone doing business with CEMEX Latam Holdings operates, and to make their industrial safety standards equivalent to those the company applies in its own operations. In 2012, we introduced the Industrial Health and Safety Manual for contractors, and during 2013 we began an audit program to guarantee that contractors implement the newly acquired commitments. Additionally, starting in 2012 we implemented a code of conduct for our contractors. The Driving Essentials code, consists of drivers adopting 12 basic behaviors and strives to make them responsible for adhering to these requirements, namely: using safety devices, adequately planning the trip, using safety belts, maintaining an adequate distance from other vehicles, respecting the laws and other drivers, not talking on cell phones, moderating speed, not passing other vehicles, respecting other drivers on the road, being cautious when facing risks, staying apt and alert, and remembering that their families are awaiting them.

Finally, in order to face the accelerated growth of the company in terms of housing and infrastructure solutions, in 2012 we developed the Safety in Construction Manual, which tries to standardize processes during the different stages of construction in the housing and infrastructure projects in order to ensure compliance with appropriate guidelines in terms of industrial safety.

## We use several internal communications media to stress the importance of operating in a safe manner, including:

- CEMEX TV screens
- *Nuestra Voz* magazine
- *Ruta CEMEX*, an internal newspaper for drivers
- Human resources boards
- SMS messages
- Suggestions box
- Periodic meetings
- Special events
- Flyers
- Safety campaigns
- Communicating safety policies
- Safety album

## Constant communication to eliminate risks

We have weekly reports to inform the complete chain of command, from our country directors all the way down to our middle managers, of any incidents occurring during the week in terms of safety in all our operations. Through this constant monitoring, leaders in the organization can understand, learn, monitor, and take the necessary actions where weaknesses are evidenced by a given incident.

On the other hand, through different internal channels in the company, we maintain constant communication with our employees to

strengthen the most relevant components of the norms, standards, programs, and tools that contribute to maintaining a safe operation.

### Promoting a healthy lifestyle

We continuously strengthen inspection processes in the workplace at all of CEMEX Latam Holdings' operations. By analyzing the results, we are able to draft action plans geared toward solving the weaknesses we identify, contributing to eliminating risks. The recommendations issued for each of the plants are designed to improve working conditions and ensure compliance with work conditions that contribute to promoting safety in the operations and a healthy lifestyle. In particular, we have achieved important progress in implementing personnel safety standards in high-risk tasks. We have also developed programs to increase awareness of health and preventive medicine that helps our employees face physical and environmental factors that could lead to diseases or lesions.



### Decreasing ergonomic risks

The goal of the Active Pauses program is to use brief pauses in daily activities as a way to intervene in the ergonomic and bone and muscle overload risks that our employees face. This contributes to reducing risks and stress, as well as to maintaining good relationships and a healthy work environment in the operations.

### Medicine At Work

The Medicine At Work program is designed to prevent illness and to opportunistically diagnose work-related diseases. Furthermore, it recommends optimal work environments depending on the psycho-physical condition of each employee, in order for them to be able to perform their jobs most efficiently. Some of the measures taken as part of the Medicine At Work program include periodic medical examinations focused on job-specific risks; evaluations for work in heights; epidemiological monitoring programs; and, in cases where there has been a work incident, measures that need to be taken during the recovery, rehabilitation, reincorporation, and readaptation process. Through preventive medicine programs, we implemented additional measures

# 98%

of our operations have a qualified health professional on-site or access to an external health provider



to promote the health of our employees, including alcohol and drug prevention programs; influenza, tetanus, and HPV vaccines; cytology campaigns; breast cancer prevention; and treatment for parasites.

### Industrial Hygiene

The Industrial Hygiene program is used to recognize, evaluate, and control potential risk factors in the workplace that could produce illnesses in employees or affect the community. The program includes environmental measurements of noise, particles, and lighting.



enhance our  
**CARBON**  
strategy

GRI: 1.2, 4.11, EN18, EN26

**100%**  
of CEMEX Latam  
Holdings' operations  
have implemented the  
carbon footprint tool

Climate change is one of the most urgent challenges of our time. A great number of studies have analyzed the potential damage caused by the possible rising of sea levels, changes in rain patterns, and greater distribution of diseases. Climate change is a great threat particularly in urban areas, where concentrated populations and infrastructure could become victims of extreme weather, natural disasters, and resource scarcity.

It is expected that growing urbanization will become the greatest driver behind energy consumption and greenhouse gas emissions over the next decades. In fact, it has been estimated that buildings contribute approximately one-third of total global GHG emissions, primarily through the use of fossil fuels during their operational phase. (UN Environment Program)

At CEMEX Latam Holdings, we interpret our responsibility in the context of climate change as broadly. Correspondingly, we are committed to offering products and services that enable a low-carbon emissions economy and to maximize the contribution of our plants for the benefit of society.

**We offer a way to measure the carbon footprint**

In 2010, CEMEX developed a tool to measure the carbon footprint—the first in its class in the building materials industry—which can be used to measure the direct and indirect carbon equivalent emissions of the cement, ready-mix concrete, and aggregates production processes, from the source of the raw material to final product. The tool, developed based on international protocols and verified by DNV, is currently implemented in 100 percent of CEMEX Latam Holdings' cement, concrete, and aggregates operations, which means we are able to share with our clients the information on the CO<sub>2</sub> footprint of all our products.

To read the document on CEMEX's position on Climate Change, please visit the [website](#).

## From waste to energy

The use of alternative fuels is key to our carbon strategy since it allows us to maximize the contribution our plants make to society and, at the same time, reduce our environmental footprint.

In addition to improving the environment, when we find substitutes for traditional fossil fuels we help protect non-renewable resources and promote economic activity related to developing new supply chains. At the same time, by using alternative fuels we offer communities a more effective and efficient option for eliminating waste and valorizing materials discharged by other industries, using them as sources of energy in our cement kilns. In this way we contribute, for example, to solving the problem of using landfills for disposing of waste.

In our cement operations during 2013, we reached a substitution rate of 24 percent of fossil fuels, including biomass and alternative fuels, in the clinker production process, an increase from the 23.3 percent as compared to the level of 2012. As we look to the future, we will continue to search for alternatives that will contribute to eliminating the disposal of waste in landfills and, at the same time, strengthen sustainable supply chains, helping us continue to increase our fuel substitution rate.

To read the document on CEMEX's position on alternative fuels in the cement production process, please visit this [website](#).



# 24%

was the substitution rate of alternative fuels for fossil fuels

Clean Development Mechanism Project	CERs/Year (tons CO <sub>2</sub> /year)
Alternative fuels in Costa Rica (2008)	39,972
Alternative fuels in Ibagué (2008)	146,798
Alternative fuels in Panama K1 (2011)	29,212
Biomass Cúcuta (2012)	42,307
Alternative fuels in Panama K2 (2013)	70,883
<b>Reduction potential</b>	<b>329,172</b>

## CDM Project: valuing carbon reductions

Since 2008, we have been particularly successful in developing projects as part of the Clean Development Mechanism (CDM), a disposition of the Kyoto Protocol, and we are committed to continuing to explore this alternative for reducing carbon emissions throughout the region.

In 2013, we obtained accreditation by the United Nations Framework Convention on Climate Change (UNFCCC) for a new alternative fuels CDM project at our Bayano cement plant in Panama, and, additionally, we certified our second CDM project in Colombia, the goal of which is for our Los Patios cement operation to substitute in the first stage up to 20 percent of its carbon usage with sugarcane and rice husks, coffee shells, tree prunes, and palm residues.

The use of biomass, besides helping in not disposing inadequately of waste, reduces environmental damage and generates jobs through the waste supply chain. For example, currently the partial substitution of carbon for rice husks in the Caracolito cement plant in Colombia contributes to solving the environmental problems generated by burning or inadequately disposing of the husks.

In total today, we have a CDM project in four of our five clinker production plants in the region, which is equivalent to a total carbon compensation of more than 330,000 tons annually, and, additionally, we mitigate emissions of other gases such as NOx and SOx, and preserve non-renewable fuels such as carbon.

To read the document on CEMEX's position on Market Mechanisms to Mitigate Climate Change, please visit this [website](#).

## We use renewable sources of energy

At CEMEX Latam Holdings, we are committed to using renewable sources of energy, either by using electricity from renewable<sup>1</sup> sources or by developing renewable energy projects ourselves.

In Colombia, for example, four of our five cement operations have facilities to self-generation of electricity, including two from renewable sources. Our hydroelectric power stations Sueva I and Sueva II generate clean energy to fulfill approximately 75 percent of our requirements for the Santa Rosa plant. Additionally, the hydroelectric power station in Bucaramanga fulfills approximately 30 percent of our cement operation's usage in that location. Currently, the CEMEX Bayano cement plant in Panama exclusively uses energy supplied by hydroelectric power stations in the region.

Additionally, we are in the process of beginning a rehabilitation, operation, and maintenance project for the La Naveta hydroelectric power station located on the land surrounding our aggregates mine in the city of Apulo, in Colombia. Through a bidding process, CEMEX Latam Holdings was granted a concession to rehabilitate and operate the existing facilities, including the corresponding permits, capital investment, concessions, and dealing with the authorities. The project is in the planning stages, and it will use water from the Bogota River at the intake and will return it to the same river two kilometers downstream, near Apulo, in the exact same condition that it took it. The electric energy will be delivered to the national network through the Apulo substation, from where it will be distributed to the rest of the country as needed. The average annual production of electricity will be 32 GWh, approximately a 10th of our annual consumption of electricity in the most significant operations in Colombia.



## Efficient use of energy GRI: EN4, EN7

While it is true that CEMEX Latam Holdings does not control emissions related to the generation of electricity, we can reduce them by optimizing consumption in our plants. We are constantly evaluating initiatives for saving energy in order to identify opportunities that will contribute to increasing efficiency in our operations during the different stages of our production processes.

For example, during 2012 in the Los Patios and Bucaramanga cement operations, in Colombia, we installed new technology cement separators to improve the efficiency of this equipment and decrease the need for electric energy per ton of cement produced. On the other hand, in the concrete and aggregates operations, we optimized operating processes to make sure we had adequate levels of load and capacity in our equipment. This translated into benefits in terms of efficiency in the use of electric energy per unit of finished product.

Furthermore, in the Caracolito plant and in our new operation in Clemencia, Colombia, we have highly efficient equipment that uses natural gas to generate electricity, fulfilling 80 percent and 100 percent of our requirements, respectively.

<sup>1</sup> In Colombia, for example, according to figures issued by the Mining and Energy Planning Unit (Unidad de Planeación Minero Energética), approximately 80 percent of electric energy in the country is generated by hydraulic means. The rest is generated thermally by using fossil fuels such as natural gas and carbon.

## Saving electric energy in equipment with our suppliers

In 2012, a total of 39 Colombian suppliers participated in our *Intégrate* (Participate) supplier development project to present proposals to make improvements in our operations. The proposals were carefully evaluated by a group of CEMEX Latam Holdings experts based on different criteria, including financial feasibility, sustainability, ease of implementation, innovation, short-term benefits, and the potential to be replicated in other countries where we have operations. The winning proposal, which was implemented in 2013 in our operations in Cúcuta, Colombia, was presented by the company IDT Eléctrica LTDA, which suggested installing Solatube lamps to take advantage of the light from the sun in closed areas, resulting in an important reduction in power consumption and costs.



## Alternative cementitious materials

The production of clinker, the main ingredient in cement, generates greenhouse gas emissions. Clinker is produced in rotary kilns that process limestone, clay, and other minerals at temperatures above 1,400°C. The CO<sub>2</sub> generated in the process is the result of the chemical decomposition of the limestone into lime and CO<sub>2</sub> and from burning the fuel needed to achieve the necessary temperatures.

An important CEMEX Latam Holdings initiative consists in substituting—based on the limits allowed by the quality standards for the manufacture of cement—part of the clinker needed for producing cement with additions made from other industrial materials, such as pozzolana, blast furnace slag, fly ash from electric power generation plants and limestone. Aside to the reduction of CO<sub>2</sub> emissions, this would also result in a reduction in the consumption of natural resources, including the energy needed for quarrying, and would improve the environmental footprint of these activities.

In 2013, we were able to sign an agreement that allows the Los Patios plant in Colombia to begin using ash from a coal power plant. Although the numbers are small at this point, we expect that in the future this synergy will help us have a positive impact on our clinker factor.

To strengthen our strategy, we have implemented new measures through which we will be able to reduce the clinker factor in our cement over the next few years, among which the following are worth mentioning:

- Optimizing the cement grinding systems
- Producing clinker with higher reactivity that requires less amounts in the production of cement
- Optimizing the portfolio of cementitious products that require a lower clinker factor



# 70.4%

percent was our clinker factor during 2013

# excellence in ENVIRONMENTAL and biodiversity management

GRI: 1.2, EN26



# 100%

of CEMEX Latam Holdings' cement operations have implemented the CEMEX EMS

<sup>1</sup> ISO 14001 is an international standard that describes how an effective environmental management system (EMS) should be implemented. It is designed to achieve a balance between profitability and reducing impact on the environment, and its goal is to ensure continuous improvement in the environmental performance of organizations.

## Environmental management through robust systems

CEMEX Latam Holdings uses a systematic approach to monitor, manage, and mitigate the impact of its activities and to share best practices while at the same time contributing to ensure natural resources are used efficiently and biodiversity is preserved. Metrics are key to understanding, managing, and improving any system. Consequently, our goal is to have all our cement, concrete, and aggregates operations under an environmental management system (EMS).

Starting in 2012, at CEMEX Latam Holdings we started implementing CEMEX EMS, which is compatible with ISO 14001<sup>1</sup>. The system is designed to consistently and completely implement the management tools and to increase awareness, collaboration, and homologation for reporting information. The total implementation of the system consists of identifying the opportunities for improvement between the existing management systems and the CEMEX EMS, and for developing action plans to improve. During 2013, we finished implementing the CEMEX EMS in all our cement plants—including the stages during which we offer training and identify weaknesses—and we made progress in the concrete and aggregates operations by hiring personnel specifically to reach the goal of implementing CEMEX EMS at all our operations.



We continually propose and organize national forums to exchange best practices in environmental management and resources allocation.

### We operate under the strictest international environmental standards

At CEMEX Latam Holdings, we recognize that managing our impact on the environment requires a thorough understanding of the risks our operations face.

At CEMEX Costa Rica, both the cement and mortar production plants have implemented an EMS that has been certified by the National Institute of Communication Technologies, or INTECO (Instituto Nacional de Tecnología de la Comunicación), based on the requirements of the ISO 14001 norm. Additionally, the cement, concrete, mortar, and aggregates plants in the country have quality control systems implemented and certified by INTECO, based on the ISO 9001 norm.

CEMEX Nicaragua has been ISO 14001 and ISO 9001 certified in the System for Quality and Environmental Management verified by FondoNorma, the certifying authority that ensures compliance with the standards and laws in force in that country. The CEMEX Bayano plant in Panama incorporated in 2005 an Environmental Management System under ISO 14001.

In 2012, the plant located in the municipality of Los Patios, in Cúcuta, successfully finished the audit of the ISO 14001 EMS and received the corresponding certification for cement and clinker production. This is all a testament to our company's commitment to the environment. Furthermore, during 2012, after going through a follow-up audit process carried out by the Colombian Institute of Technical Standards and Certification, or ICONTEC (*Instituto Colombiano de Normas Técnicas y Certificación*), the authority verified compliance at the Santa Rosa plant with the requirements established by the ISO 14001 management system standard.

In 2013, ICONTEC carried out a follow-up audit of the EMS implemented in the Santa Rosa and Los Patios cement plants, and certified that the system has been adequately maintained. The purpose of these certifications is to verify through a third-party that the EMS is being implemented and maintained, which ensures legal compliance, continuous improvement, and the adoption of this international standard, which the company voluntarily adheres to, going beyond what the national environmental policy requires.

### Technology to minimize our emissions

The clinker production process creates emissions—basically dust or materials particles, nitrogen oxides (NOx), and sulfur compounds



At CEMEX Latam Holdings, we have continuous emissions-monitoring systems in 91 percent of our clinker production.

(SOx). Currently we have the technology and systems through which we can continuously monitor emissions in 91 percent of our clinker production. Continuously monitoring emissions helps us control and continue to decrease the emissions, as well as comply with local and national regulations.

### Technological conversion at the Caracolito plant

Because we are committed to continuous improvement, we are constantly looking for opportunities to use technology that will help us minimize our impact on the environment.

For example, the conversion technology we use in the Caracolito plant has allowed us to minimize dust emissions. By installing a new bag filter, we were able to capture 99.9 percent of the dust generated by the kilns. While emissions at the Caracolito plant have continually been below levels established by the environmental standards, the technological conversion increases the level of efficiency and operating safety. The conversion process began in 2010, and it 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. With this investment of more than US\$3 million, we proved once more our commitment to the environment and to seeking to improve the well-being of communities by addressing their concerns.



### Efficient use and savings in water

It has been estimated that only 3 percent of the total volume of water on the planet is fresh water that can be consumed by humans, and, according to the UN World Water Development Report and the World Water Forum, demand for water in 2030 will be 40 percent higher than it is today. Pollution, misuse, collection, transportation, and purification costs all contribute to making water a resource for which efficient use and savings are very important, as is the need to implement measures to reduce the amount of water we use, and improve quality.

At CEMEX Latam Holdings, we are fully committed to using water efficiently. Correspondingly, at our cement plants we implement our Plan for the Efficient Use and Savings in Water, which establishes diagnostics, procedures, and responsibilities that have to be adopted at the facilities in order to optimally manage this resource. The plan includes the necessary elements to identify and implement possible improvements in handling and using water in our activities, controlling collection points, and water use and treatment. Responsibly managing this resource has helped us continually improve our efficiency levels in water consumption.

In 2013, CEMEX Latam Holdings implemented the Corporate Water Policy, responding to our pledge to minimize the company's water footprint. The document describes the company's strategy for sustainable water management, acts as a framework for developing conservation measures, and sets the basis for continuous improvement through measuring performance against targets. The focus detailed in CEMEX's water policy includes, beyond complying with all regulations and codes concerning the use of water, a commitment to protect the ecosystems and biodiversity in our operations through

managing water in a sustainable way and establishing positive relationships to collaborate in implementing water projects. It also communicates our commitment to maximize efficiency by adequately managing consumption and using sustainable sources of water, such as rainwater.

Consequently, at CEMEX Latam Holdings we continued working in partnership with the International Union for Conservation of Nature (IUCN) to implement the jointly developed methodology to improve water management and efficiency in all businesses. The methodology includes key performance indicators, different levels of accuracy for water measurement, and guidance on how to report.

For more information on CEMEX's Corporate Water Policy, please visit [this website](#).

#### Water: A resource for all GRI: 2.10

Fully understanding the importance that sustainable development holds for the business sector, and the existing need to accomplish synergies in the efficient use of natural resources, CEMEX Colombia and Meals de Colombia joined forces in an effort to develop a project for saving water and for using it efficiently.

In 2011, we started at the concrete plant in Morato, Bogota, a project to recycle wastewater from Meals de Colombia's operations, and to use it in a regulated manner in the concrete-making process.

Through the project "Water: A resource for all," we were able to reach important goals such as transforming Meals de Colombia into raw materials for CEMEX Colombia's wastewater, and optimizing savings and the efficient use of water in the production processes of both companies. The benefits for CEMEX Colombia were evident, as we decreased the consumption and acquisition costs of potable water in

**100%**  
of our aggregates operations have water recycling systems

the production of concrete as well as the volume of water discharged into the sewage system by Meals de Colombia.

Through this project, CEMEX was able to reuse approximately 4,000 cubic meters of water between 2011 and 2012, which translated into savings in costs for buying water, which went from US\$2.5 to US\$0.5 million per square meter; a reduction in the unnecessary stress on the hydrographic basins; and lesser amounts and better quality of discharge of residual waters.

# 4,000 m<sup>3</sup>

of water in Colombia was reused through the project "Water: a resource for all", which received an honorable mention during the 2013 World Water Summit.



In 2013, we implemented the CEMEX Corporate Water Policy, thus addressing our commitment to minimizing the company's water footprint.

The project we carried out with Meals de Colombia has helped to strengthen the environmental culture among CEMEX Colombia's employees and their allies, and to gain the experience needed to develop other collaboration models that will allow us to explore new synergies with other companies and implement similar water-recycling projects in other operations.

## The most advanced technology to minimize water consumption

On November 2013, we began operations at our fifth cement production plant in Colombia: the Clemencia plant in the department of Bolívar. The plant has the most advanced technology in the cement grinding process, eliminating 100 percent of water consumption in the industrial process. Furthermore, it has water treatment processes for domestic effluents, ensuring their adequate management through evaporation systems and the promotion of water conservation.

## Focused on protecting and improving biodiversity

GRI: EN13, EN14

At CEMEX Latam Holdings, we are committed to being a responsible steward of the natural resources we use and to carrying out our activities in a sustainable manner and, correspondingly, to protecting biodiversity in our operations and maximizing our contribution to preserving nature.

We have integrated the CEMEX Biodiversity Policy in our business model at all our operations, which adheres to the Biological Diversity Convention (BDC) and the Aichi Targets. Our Biodiversity Action Plans (BAP) are a key factor in employing the CEMEX Biodiversity Policy and in maximizing the net positive impact on biodiversity and the ecosystems of our operations.

For more information on CEMEX's Policy on Biodiversity, please visit [this website](#).

Developed based on the global partnership CEMEX has with BirdLife International, the BAP Standard helps us make sure that each operation can produce its own BAPs systematically, detailed and tailored to their own value, in order to face local biodiversity challenges. The BAP Standard is the result of a study CEMEX carried out in collaboration with BirdLife International to identify and establish priorities for managing biodiversity in our operations and to create the tools needed to evaluate, manage, and develop effective actions in favor of biodiversity.

At CEMEX Latam Holdings, through the BAPs, we are identifying the structure needed for evaluating impacts, determining the way in which we will measure them, and defining specific goals. These plans will be implemented in areas of high biodiversity value in the operations that need it, as well as in all new projects.

CEMEX's BAP Standard includes methodologies to:

- Evaluate the value of biodiversity
- Establish goals for managing biodiversity
- Develop action plans
- Reach performance goals
- Reach agreements with other organizations

# 100%

of our cement mines have restoration plans

### Rehabilitating mining zones

The objective behind restoring our mining zones is to sustainably close production activity, minimizing negative impacts, consolidating environmental compensation programs, and contributing to developing the location. We are committed to implementing restoration plans in the mining zones of all of CEMEX Latam Holdings' sites based on the progress of our operations. This is the case of the Apulo mine in Colombia, where—using trees from the plant's nursery—we have started reforesting the slopes so that we can restore the land to a condition similar to what it was when the intervention first began.

### Managing waste

Our processes generate waste that is classified and disposed of according to our own standards and the requirements of local regulations.



At CEMEX Latam Holdings, in order to contribute to protecting the environment and to handling and managing waste correctly, we have implemented the Comprehensive Plan for Handling Solid Waste, which establishes measures based on a preventive approach through which we can control and minimize environmental impacts that are evaluated with the implementation of the Environmental Management System. The objective of the plan is to suggest reductions in the generation of waste and to adequately manage it, temporarily collect it, and then dispose of it, favoring valorizing, reuse, and recycling programs and taking into consideration the applicable environmental standards.

### Recycling construction and demolition waste

Not only are we committed to managing waste in our own sites, but we also work to have a positive impact on areas that are facing considerable environmental problems. Our facilities at La Fiscala and Las Delicias, for example, are a destination for construction and demolition waste (CDW), where it can be either incorporated as recycled construction materials or properly disposed of according to local regulations. This solution allows our clients to maximize the use of their construction materials, comply with environmental norms, and also apply for LEED points for their projects. The La Fiscala mine works under an environmental management plan registered with the Colombian Urban Development Institute (*Instituto de Desarrollo Urbano de Colombia*), which allows the company to issue certificates for proper CDW disposal.

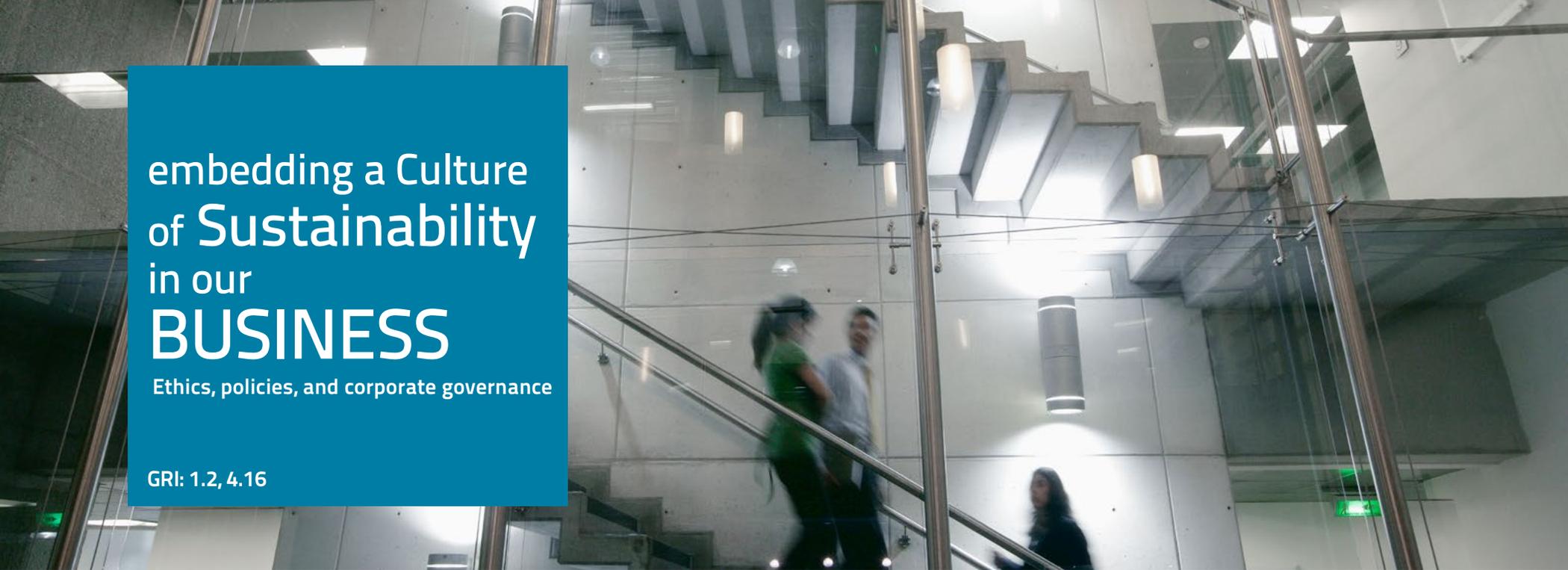
Today, CEMEX Colombia is accelerating its process to ISO-certify both the La Fiscala and Las Delicias facilities, as well as the CDW recycling process so that disposal and recycling of waste will be carried out using the highest operating and quality standards and so the best technical and environmental practices are certified.

### Sustainable logistics

To minimize vehicular traffic, and as part of our focus on sustainable transportation, we are looking for ways in which to dispose of raw materials and products without using trucks. In some places we use conveyor belts to transport raw materials from the quarry, and, whenever feasible, we use multimodal systems that combine, land, rail, and water transportation for our products.

We operate and maintain our vehicle fleet to make sure we protect the community, and by using strategic planning in our logistics we avoid unnecessary traffic during rush hours. These efforts help reduce noise, vibration, and traffic jams, as well as the use of energy, carbon emissions, and costs.

We also use operating controls and measures to not only mitigate noise, but also to isolate the sources of the noise, and to carefully control 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.



# embedding a Culture of Sustainability in our BUSINESS

Ethics, policies, and corporate governance

GRI: 1.2, 4.16

At CEMEX Latam Holdings, we define sustainability in the most basic sense of the word. We strive to fulfill the current needs of the business and, at the same time, manage the company in such a way that we will have a positive performance in the future and, furthermore, that we will contribute to regional growth by offering building solutions that generate well-being for people. We are a reflection of this because we all commit to maintaining ethical behavioral standards and to respecting human rights at all times, implementing excellence in our work and maintaining solid corporate governance that includes the majority of the best practices both domestically and internationally.

CEMEX Latam Holdings' Board of Directors includes a Corporate Governance Committee, which, among other things, carries out the following functions and capabilities:

- Periodically reviews the company's internal bylaws, with special emphasis on the corporate governance policies and compliance.
- Suggests to the Board of Directors, for their approval and to be submitted to the General Shareholders' Meeting, modifications and upgrades that contribute to development and continuous improvement.
- Promotes the corporate governance strategy.
- Gets to know, promote, guide, and supervise the company's performance in terms of sustainability, corporate social responsibility, and corporate reputation, and informs the Board of Directors on all these matters.
- Shares the information, prior to its approval, on the company's annual corporate governance report and the corporate governance survey (Country Code - Colombia).

## Committed to the highest ethical standards

GRI: 4.16, HR4

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 CEMEX. All executives

### Sustainability Committee

We run our business with integrity, and we act responsibly as custodians of the well-being of our employees, our clients, the environment, communities, and society in general, all without losing focus on the responsibility we have to protect the interests of our shareholders. At CEMEX Latam Holdings, our commitment to sustainability begins with our Board of Directors, with the support of its Corporate Governance Committee, and it flows throughout the organization all the way to the different local operations.

The Global CEMEX Sustainability Committee is a body made up of 12 members, including the Senior Vice President for Energy and Sustainability—who also advises CEMEX Latam Holdings—the Senior Vice President for Technology, and the Corporate Director for Sustainability. The committee meets every three months to analyze, discuss, and give guidance about the sustainability strategy for CEMEX globally.

Simultaneously, at CEMEX Latam Holdings there is a sustainability management team that is in charge of reviewing developments in key indicators and how the group's main initiatives are performing. Furthermore, there is a team of employees that makes sure best practices are continuously shared within the organization and that the main initiatives are implemented in every country in which they are deemed viable.

### The Code of Ethics and Business Conduct addresses the following issues:

#### Relationship with stakeholders

- Our people and human rights
- Customer relations and fair dealing
- Supplier relations and fair dealing
- Government relations
- Community relations

#### Operations and activities

- Antitrust compliance
- Anti-bribery
- Conflicts of interest and corporate opportunities

- Gifts, services and other courtesies
- Environmental responsibility
- Political contributions and activities

#### Safety and security

- Safety and health in the workplace
- Confidential information
- Financial controls and records
- Preservation of assets

To view our Code of Ethics, please visit: [www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf](http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf).

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, because they belonged to the international group.

This 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 complying with the laws, regulations, and company bylaws, and strengthens the trust of our employees, clients, 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.

### Compliance

All of CEMEX Latam Holdings' employees, without exception and regardless of their circumstances, are obligated to respect the law, the Code of Ethics and Business Conduct, the institutional and corporate policies, and other internal bylaws. Correspondingly, we are constantly informing and training our employees so that they will have the necessary means to know and comply with this obligation.

In January 2013, CEMEX Latam Holdings' Board of Directors approved, with the prior favorable report from the Corporate Governance Committee, the adoption of several corporate and institutional policies that are applied globally at CEMEX on the following issues:

- **Anticorruption:** The policy includes local laws, the U.S. Foreign Corrupt Practices Act, and the UK Bribery Act 2010. Its objective is to prevent employees from performing corrupt acts, both actively or passively, in favor of public officials to obtain a favor or benefit.
- **Antitrust:** 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 assuming, be it consciously or involuntarily, in practices that represent collusion agreements, abusing a possible dominating position, or any other type of acts that could artificially alter free competition in these markets.

▪ **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.

▪ **Use of privileged information:** The objective of this policy is to respect and comply with the applicable regulations in the financial and stock markets and, in particular, it seeks to prevent CEMEX Latam Holdings' employees and people who have a relationship with or are akin to the company to benefit from the information they obtain while performing their jobs. This policy forbids anyone from using the information incorrectly.

To make sure these policies are properly communicated, understood, and updated, and that all employees comply with them, we carry out periodic training and communication campaigns. Additionally, CEMEX Latam Holdings carries out a continuous effort to offer the market and its clients and suppliers greater transparency in all hiring processes.

### Reporting line

It is the responsibility of all CEMEX Latam Holdings' employees to know, comply, and protect compliance with the Code of Ethics and all additional internal bylaws. To make sure this common objective is successful, we have established different communication channels that employees can use to answer questions, make suggestions or observations, inform on exemplary cases of people promoting CEMEX Latam Holdings' values or denounce and put into evidence, when called for, incorrect behaviour within the organization.



ETHOSline offers our employees the following advantages:

- Access to the Code of Ethics
- Direct access to the corporate policies, which can be consulted by country, issue, functional division, guidelines, and community
- Advice on ethics, regulations, and corporate governance
- Access to courses on ethics and regulations
- Tools to help them manage ethical dilemmas
- Generating awareness of the consequences of faults in behavior

Any doubts concerning the legal or ethical determination of a given situation need to be reported to the corresponding authority within the organization. In case there are any questions concerning potential violations relating to compliance with the bylaws, ethics, or corporate governance, all of CEMEX Latam Holdings' employees have a safe place to turn. The purpose of ETHOSline is for our employees to be able to integrate ethics and compliance into their daily work through an effective, safe, and confidential tool through which they can ask questions, resolve any doubts, and report, if need be, potential infractions. It is available 24 hours a day, seven days a week, by using the ETHOSline [website](#) or by phone or email so that employees and third parties can send their comments, ask for advice, and present complaints or reports. The service 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 supervisor, 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.

Additionally, the Director for Internal Audit periodically informs the members of the Audit Committee about the issues related to these consulting and reporting mechanisms.

### Continuous training

To make sure no violations of any type are produced in our behavioral standards, we offer continuous training about our policies and the respect for human rights in our operations. We continuously launch campaigns and implement employee training programs in order to reinforce ethical behavior in the different areas and work

# 24/7

ETHOSline is available 24 hour a day, 7 days a week, so that employees and people external to the company can send their comments, ask for advice, and present complaints or reports, by using the [ETHOSline website](#), by phone, or by email.

During 2013, we identified 72 incidents through the Ethics Committee and the different anonymous complaints-reporting mechanisms. Of these incidences, 33 percent were proven to be true, and these originated primarily in Colombia, Panama, and Nicaragua. The most relevant issues deal with processes for managing raw materials in cement and aggregates and negotiations with suppliers of materials and services, which jointly represent an impact equal to 0.1 percent of CEMEX Latam Holdings' total annual sales.

We had no reports related to discrimination in 2013.

The Internal Audit division and the directors of each of the operations established action plans and adopted measures that were deemed adequate to mitigate these risks and informed the Audit Committee accordingly.

environments; complying with the Code of Ethics; respecting the law and other internal bylaws that regulate, among others, antitrust issues, preventing and prohibiting bribery and any other form of corruption, the adequate retention of information, relationships with clients and suppliers, and respect in the workplace. Additionally, we carry out internal audits to verify compliance in issues dealing with antitrust and bribery, among other things. These actions are part of the continuous compliance with regulations program, whose goal it is to cover all the geographies where CEMEX Latam Holdings has operations.

#### **Ethics Committee**

CEMEX Latam Holdings has several ethics committees, made up of a minimum of four members in each country, besides a manager, who is in charge of following up on the cases, writing the reports, organizing the meetings and agendas, and all the issues pertaining to correct behavior in the company. The ethics committees are independent bodies from the Board of Directors, and their goal is to ensure compliance with company values, solve ethical dilemmas, and address 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. The activities of these committees are confidential and their decisions are mandatory. The internal authority responsible for investigating and solving a given matter is determined depending on the case, the people involved, and the gravity of the behavior. All reports are fully investigated, and, when proven violations to the code are found, the corresponding disciplinary measures are taken, which can go anywhere from just a written warning to the firing of the person involved, and could include other legal action, too, depending on the type and gravity of the violation. Repercussions against

any employee who in good faith reports a problem or violation are expressly and strictly prohibited.

#### **Respect for human rights** GRI: 1.2, 4.16, HR6, HR7

We have a strong commitment to supporting and respecting human rights as they are internationally defined based on the Universal Human Rights Declaration and the fundamental agreements of the International Labour Organization pertaining to human rights. In this sense, CEMEX Latam Holdings has included the CEMEX Human Rights policy.

We make sure we have no behaviors or attitudes that could support the emergence of human rights violations in any of our operations, particularly in terms of employees or third parties that are part of our production chain.

In addition, globally CEMEX is part of the Porto21 Forum for Sustainable Development, an international organization focused on ethics and social values. Currently, CEMEX as an international group adopts the UN Guiding Principles on Business and Human Rights, also known as the Ruggie Framework.

The Director for CEMEX Colombia has strengthened the obligation to respect human rights by renewing the commitment of CEMEX Colombia as a signatory of the United Nations 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.

To formally implement the ruling principles of the UN concerning companies and human rights, in late 2013, CEMEX approached Shift, an independent, not-for-profit center focused on strengthening the practice of human rights in businesses, whose team of experts was directly involved in elaborating and drafting the UN Principles.

CEMEX is a member of Porto21, it adopts the Ruggie Framework, and is a signatory of the Global Compact

CEMEX and Shift have begun to develop a framework that details all the key divisions involved, defines responsibilities, and identifies the steps that need to be followed. They have also started to develop a comprehensive human rights policy using the three pillars that are the basis of the UN principles: protect, respect, and remedy. The new policy, which will be made public in 2014, will be added to the existing programs and will focus more strongly on our mechanisms to report progress and information.

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 personal development. We work hard to maintain a positive working environment, free of harassment, intimidation, or discrimination. Consequently, the corresponding internal authorities, and in particular the ethics committees, ensure compliance with the Code of Ethics—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.

To make sure human rights are respected by our suppliers and contractors, we have included explicit references and commitments on these issues in the CEMEX Code of Ethics.

Furthermore, in 2012, CEMEX, as a world-class entrepreneurial group, issued its Code of Conduct When Doing Business With Us, aimed at suppliers and contractors and based on the results of a benchmark survey that evaluated the best practices in the industry, the principles of the Global Compact, and the supply clauses included in the Code of Ethics. CEMEX Latam Holdings implements this code, which specifically requires all parties that wish to do business with the company to support and respect human rights as they have been internationally defined.

All our contracts with suppliers include clauses on sustainability, respect for human rights, and prohibiting corruption of any kind, among other things. Additionally, we closely monitor these issues to ensure compliance with these commitments through:

1. For suppliers and contractors that work within CEMEX Latam Holdings' operations, starting in 2012 we included an evaluation tool to monthly monitor and evaluate compliance with labor obligations and human rights. The audit shows the degree of compliance with regulations in regards to paying work benefits, legal payments, and child labor, among other things. In 2013, we reinforced the supervision of our suppliers and contractors that operate in the mining zones by structuring and certifying a series of requirements, in compliance with the labor and environmental regulations to offer their services.
2. Additionally, we randomly follow up on the performance of our suppliers with an annual evaluation carried out by an independent external agency, which includes, besides an evaluation on the agreed-upon financial and technical conditions, supervising the payment of work benefits and compliance with environmental practices and policies. A commission formed by the local operations and procurement departments periodically analyzes the results and takes corrective action, if needed.

In every case in which deficiencies are detected in the strict compliance with the norms and regulations regarding suppliers and contractors, we first monitor the situation in order to solve it and, in case there are critical recurrences, we then implement corrective measures that can result in the cancellation of contracts or the working relationships.

We work hard to maintain a positive working environment, free of harassment, intimidation, or discrimination. Consequently, the corresponding internal authorities, and in particular the ethics committees, ensure compliance with the Code of Ethics.





CEMEX Latam Holdings hires, develops, and promotes professional opportunities with no distinctions for race, gender, sexual orientation, religion, appearance, age, nationality, origin, or mental or physical disabilities.

To further our understanding of the strengths and weaknesses in the supply chain, during 2014 will do a survey in Colombia on the issue of sustainability of more than 350 of our suppliers, representing 80 percent of our expenditures, a practice that we will take to the other countries where we operate in the future. The survey, done by an independent third party, will evaluate performance on the following criteria:

#### Social

- Health and safety
- Managing human resources
- Managing employment and develop abilities
- Labor inclusion

#### Environmental

- Environmental management and waste treatment
- Water
- Energy
- Interaction with biodiversity

#### Supply chain

- Compliance
- Procurement and supply chain
- Responsible social and economic conception of the products and services

#### Ethics

- Policies
- Partnership with stakeholders
- Business ethics
- Local integration

#### Child labor

We are fully committed to respecting and complying with all regulation dealing with child labor. 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 workplace

We do not require anyone to perform tasks against their will or that are detrimental to their health or well-being. At CEMEX Latam Holdings, we offer cutting-edge safety and health programs through which we strive to prevent, or at the very least minimize, the risks

and dangers associated with the workplace, and at the same time create awareness among our suppliers, contractors, and other people we do business with about safety practices and healthy life inside and outside the workplace. We take measures to keep our workers from falling into excessive debt through company loans. All employees are free to leave the company at any time, and we never offer any benefit as leverage to force labor. We only offer loans through the employee fund after conducting an analysis of the worker's borrowing capacity and guaranteeing a minimum income.

#### Excellence in labor practices GRI: 4.16, HR5, LA4

Our employees are the driver behind our success. The talent, energy, and vision of each of them make us what we are: the leading company in building solutions, with a proud past, a solid reputation, and a brilliant future.

#### Equal opportunity and compensation

At CEMEX Latam Holdings, 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 decisions are made without discriminating for race, color, age, religion, mental or physical disabilities, gender, origin, or nationality. At CEMEX Latam Holdings, we value the talent of all our employees and we encourage them to seek opportunities for progress and professional coaching by their supervisors, department heads, or the Human Resources division, among others. At CEMEX Latam Holdings, we offer a job posting program to give our employees opportunities to apply for open positions before or concurrent with the consideration of external candidates for employment.

Additionally, at CEMEX Latam Holdings we also 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.

The 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 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.

CEMEX has published 10 position documents that clearly explain the focus on important issues for our stakeholders, including:

- Communities
- Climate change
- Market mechanisms to mitigate climate change
- Use of alternative fuels
- Capturing and storing carbon
- Environmental management and biodiversity
- Sustainable construction practices
- Infrastructure development
- Green construction
- Recycling aggregates

The position papers are available for download at the CEMEX [website](#).

### Promoting diversity

In our 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. In late 2013, women accounted for 10 percent of the CEMEX Latam Holdings workforce.

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, among which the life-work balance is particularly relevant. Correspondingly, we have implemented programs to satisfy expectations and review the conditions needed for a successful sharing between different generations.

### Life-work 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 processes in place that allow us to monitor it systematically.

Through our *Más para ti* (More for you) program, we promote new initiatives that contribute to the life-work balance. The program offers additional benefits to those included in the law to carry out personal and family activities. Among other examples, it is worth mentioning that we offer additional vacation days or a half-day off on an employee's birthday, a day off for moving and special work days, family activities in recreational centers, flexible dress codes, discounts in local stores, flexible hours for mothers with children under the age of four, and sponsorships for sports-related activities.

### Right to free association

At CEMEX Latam Holdings, we recognize, support, and respect the right of every worker in our operations to belong to a union and to have a collective-bargaining contract.

We relate to our employees by means of different mechanisms through which they have the opportunity to share their opinions and help improve our operations. These include: collective bargaining, meetings with the Board of Directors, division meetings, surveys, ETHOSline, open dialogue, and consulting meetings.

### Personal political activities

As is described in the Code of Ethics, CEMEX respects the rights of our employees to freely participate in political activities. However, they must participate on a personal basis and without it interfering with their work obligations. Employees are not allowed to use company facilities or assets for political purposes.

### Public policies

CEMEX Latam Holdings actively follows the evolution of public policies, defends sustainable growth, and promotes fair and well-designed environmental regulations. The main issues we monitor are protection of the environment; climate change; measuring the carbon footprint of our products; reducing greenhouse gas emissions; and adequately managing emission rights, sustainable construction, and financing models to encourage investments in sustainable infrastructure.

Additionally, we offer independent research and guidance to form public-private partnerships (PPP) that are able to develop infrastructure projects that are efficient and profitable. CEMEX collaborates closely with the Concrete Sustainability Hub at the Massachusetts Institute of Technology (MIT), which is carrying out the most complete study to date for creating a Life Cycle Analysis model for concrete. The conclusions of the study currently indicate that the cost of operating concrete highways, taking into consideration the whole life cycle is less than for operating asphalt highways. Because of the durability and stability of the prices of concrete, and based on historic information, MIT has estimated that in 50 years' time, concrete highways will see a 20 percent decrease in their prices, while asphalt highway prices will increase by 95 percent in real terms. At CEMEX Latam Holdings, we support this kind of information in order to seek more infrastructure projects built using concrete, which will benefit sustainable growth in cities.

The need to balance economic development with environmental protection requires solutions that come from the government and the private sector. At CEMEX Latam Holdings, we are convinced that the fastest way to reach solutions is through an open dialogue.

## Corporate governance GRI 4.1, 4.3, 4.9, SO5

CEMEX Latam Holdings, S.A., (CLH) was organized and incorporated in Spain as a capital stock corporation (sociedad anónima) on April 2012, and its shares were listed on the Colombian Stock Exchange in November of the same year. Since it is a Spanish company, CLH 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 CLH Board of Directors is made up of nine directors, of which three are independent.

The executive team is made up of the Chairman of the Board of Directors, the Chief Executive Officer, and six country directors. Since 2012, Jaime Elizondo is the Chairman of the Board of Directors and Carlos Jacks is the CEO.

Given that CEMEX Latam Holdings is a Spanish entity listed on the Colombian stock exchange but not in Spain, the Company is not required to comply with Spanish regulations related to corporate governance (Buen Gobierno Corporativo) that are applicable to companies listed on Spanish stock exchanges. As a Spanish company listed on the Colombian Stock Exchange, we are not 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 codes of conduct for good corporate governance provisions contained in the Unified Spanish Corporate Governance Code, as well as with best practice provisions applicable to Colombian issuers.

Furthermore, CLH upholds the highest corporate governance standards due to CEMEX, S.A.B de C.V. 's—its parent company's—compliance with the Sarbanes-Oxley Act (SOX), the regulations of the New York Stock Exchange (NYSE), and the Mexican Stock Exchange (BMV).

Our Code of Ethics and Business Conduct incorporates SOX requirements, including the following:

- A system to guarantee that the relevant information reaches the executive officers in a timely manner.
- ETHOSline, a system to communicate anonymously and confidentially any complaints and concerns on accounting and auditing issues to the Audit Committee, and for presenting anonymously and confidentially the report relating to unethical behavior and the incorrect use of assets.
- A work team that makes sure the company complies with the laws and regulations that affect our business, and that applies best practices and suggests improvements.

At CEMEX Latam Holdings, the Audit Committee and the Board of Directors supervise and monitor all of the above.

## Managing risks related to sustainable growth

GRI: 4.9, 4.11, EC9

A multitude of risks can affect CEMEX Latam Holdings, its assets and employees, as well as our neighbors. To manage these risks, we use risk-management systems and tools to get information from different sources, analyze it, and identify and evaluate potential risks and respond to them. These processes have included evaluating environmental, safety, and health risks. The risks related to sustainability are managed by our corporate risk management system, which is supervised by the executive officers team.

We have several processes that test the robustness of our systems, evaluate compliance across all business units, and encourage continuous improvements. These processes include training for employees, periodic revisions of the policies and procedures, and regular internal audits.

Our operations are subject to a broad range of laws and regulations concerning the environment, health, and industrial safety in each of the regions in which we operate. These laws and regulations impose environmental protection standards that are increasingly stricter with respect to emissions, water discharge, using and handling hazardous waste, reduction of environmental impact, and the health and safety of our employees and contractors, among other things. These standards expose us to the risk of substantial costs and liabilities, including liabilities concerning past activities carried out by previous owners or operators of our businesses.

Efforts to address climate change through laws and regulations can create risks and uncertainties for our business because the cement manufacturing process requires the combustion of large amounts of fuel and creates carbon dioxide (CO<sub>2</sub>) as a by-product of the calcination process. Such risks could include costs to purchase allowances or carbon credits, costs required to provide equipment to reduce GHG emissions, or regulatory controls that could result in decreased profits because of higher production costs or a decreased demand for our products.

Our operations consume significant amounts of energy and fuel, the cost of which has significantly increased worldwide in recent years. To mitigate high energy and fuel costs and volatility, we have implemented the use of alternative fuels such as biomass, which makes us less vulnerable to the unexpected hikes in prices, and we have reduced our CO<sub>2</sub> emissions.



We have also implemented practical improvements in different places and have signed long-term contracts to mitigate price volatility. In spite of having taken these measures, our operations could be negatively impacted in the future if the costs of energy and fuel increase.

Due to the nature of our business, we have a high degree of integration into the mining and sourcing of the key raw materials required in our production processes. Failure to maintain the land and mining rights in our sites could have a materially adverse effect on the continuity of our operations and potentially increase the cost of some of those raw materials.

# about this report

GRI: 3.1- 3.10

## Reporting history and cycle

This is the first CEMEX Latam Holdings Sustainable Development Report. It describes the activities we carried out during 2013 and includes information on our strategy and sustainability model, programs, results, and performance, and covers a wide range of environmental, social, and corporate governance issues. CEMEX Colombia, which is part of CEMEX Latam Holdings' operations, has been publishing Sustainable Development Reports since 2011. To view them, please visit the CEMEX Colombia website, [www.cemexcolombia.com](http://www.cemexcolombia.com).

CEMEX globally has been publishing a Sustainable Development Report annually since 2003. For more information and questions about our global reports, please visit <http://www.cemex.com/SustainableDevelopment/GlobalReports.aspx>.

## Applying the GRI guidelines

In elaborating this report, we used the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) G3—a useful tool to monitor the management and performance of organizations in terms of sustainability—and complied with a “B” application level.

For more information on the different application levels of the GRI guidelines, please visit [www.globalreporting.org](http://www.globalreporting.org).

In the GRI 2013 Table, we have indicated the page numbers where the content related to this guideline is located.

## Boundary and reporting period

This report covers CEMEX Latam Holdings' cement, concrete, and aggregates operations, and presents the information on our performance, progress, achievements, and challenges for calendar year 2013, which also corresponds to the company's fiscal year. We have included information for the operations in which we have financial and operative control. For our key indicators, it does not include the performance of the Clemencia plant in Colombia, because it started operating in November 2013.

We prioritized the issues included in this report based on the materiality analysis of the most relevant issues for CEMEX Latam Holdings, which includes a perception survey with the communities neighboring our operations. Additionally, we have organized our priorities thematically based on the CEMEX Corporate Sustainability Strategy, as well as the seven priorities of our Global Sustainable Development 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 the CEMEX central coordination: 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 protocols.

### Data-measuring techniques GRI: LA7

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

- **CO<sub>2</sub> emissions.** CEMEX Latam Holdings reports absolute and specific CO<sub>2</sub> emissions following the latest version of the CSI Protocol, denominated: The Cement CO<sub>2</sub> and Cement Energy, version 3.0, published in 2011. As defined in the protocol, we consider direct emissions, excluding CO<sub>2</sub> emissions from biomass fuels and purchased electricity. Historical data remains unchanged, given that the previous protocol is closely aligned with the simple methods for reporting of CO<sub>2</sub> emissions for the calcination process.
- **Energy.** Fuel consumption indicators are reported to internal CEMEX Latam Holdings databases in which “conventional,” “alternative,” and “biomass fuels” are classified according to the CSI Cement CO<sub>2</sub> protocol spreadsheet. Heat values are obtained from on-site analysis (where applicable), values provided by the supplier or standards from the CSI Guidelines for the Selection and Use of Fuels and Raw Materials in the Cement Manufacturing Process.
- **Clinker factor and alternative fuels.** All consumptions of materials are reported to internal CEMEX Latam Holdings databases in which “alternative materials” are defined following the standards from the CSI Guidelines for the Selection and Use of Fuels and Raw Materials in the Cement Manufacturing Process. The clinker factor is calculated using the procedures detailed in the CSI Cement CO<sub>2</sub> protocol spreadsheet and with information obtained from the databases.
- **Safety.** Through an internal CEMEX Latam Holdings safety database, we collect all 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.

### Deviation from protocols

We have adhered to the GRI Protocols where applicable and feasible. However, since our data-collection systems are still in development, there are some instances in which we have not applied the GRI protocols. In such cases, the data we have reported reflects the best way we can currently communicate our performance.

### Cautionary Statement Regarding Forward-Looking Statements

This report contains forward-looking statements within the meaning of applicable securities laws.

CEMEX Latam Holdings, S.A. (“CEMEX Latam”) intends for these forward-looking statements to be covered by applicable securities laws. In some cases, these statements can be identified by the use of forward-looking words such as, but not limited to, “may,” “should,” “could,” “anticipate,” “estimate,” “expect,” “plan,” “believe,” “predict,” “potential” and “intend” or other similar words. These forward-looking statements reflect CEMEX Latam’s current expectations and projections about future events based on CEMEX Latam’s knowledge of present facts and circumstances and assumptions about future events. These statements necessarily involve risks and uncertainties that could cause actual results to differ materially from CEMEX Latam’s expectations.

Some of the risks, uncertainties and other important factors that could cause results to differ, or that otherwise could have an impact on CEMEX Latam or CEMEX Latam’s subsidiaries, include: the cyclical activity of the construction sector; competition; general political, economic and business conditions; the regulatory environment, including environmental, tax and acquisition-related rules and regulations; the ability of CEMEX, S.A.B. de C.V. (“CEMEX”) to satisfy its obligations under the Facilities Agreement as well as under the indentures that govern its high yield notes; CEMEX Latam’s ability to service its debt; CEMEX’s or CEMEX Latam’s ability to consummate asset sales, asset acquisitions and/or to achieve cost-savings from CEMEX and CEMEX Latam’s cost-reduction initiatives; weather conditions; natural disasters and other unforeseen events; and other risks and uncertainties associated with CEMEX and/or CEMEX Latam’s business and the countries in which CEMEX and CEMEX Latam operates. Readers are urged to read this report and carefully consider the risks, uncertainties and other factors that affect CEMEX Latam’s business. The information contained in this report is subject to change without notice, and CEMEX Latam is not obligated to publicly update or revise forward-looking statements.

Readers should review future reports filed by CEMEX Latam with the Superintendencia Financiera de Colombia. This report also includes statistical data regarding the production, distribution, marketing and sale of cement, ready-mix concrete, clinker and aggregates, CEMEX Latam generated some of this data internally, and some was obtained from independent industry publications and reports that CEMEX Latam believes to be reliable sources. CEMEX Latam has not independently verified this data nor sought the consent of any organizations to refer to their reports in this report.

# G3 Content Index

□ Full Answer ■ Partial Answer

GRI	Disclosure	Location of Disclosure or answer
<b>Strategy and Analysis</b>		
1.1	Statement from the most senior decision-maker of the organization.	Letter from the Chairman of the Board and the Chief Executive Officer, page 2-3
1.2	Description of key impacts, risks, and opportunities.	Letter from the Chairman of the Board and the Chief Executive Officer, page 2-3 Our vision of sustainability, page 7-11 Housing and infrastructure, page 19-25 Concrete pavements, a less expensive and more efficient solution, page 25 Strengthen local communities, page 26-35 Partnership with key stakeholders, page 36-46 High priority to health and safety, page 47-52 Enhance our carbon strategy, page 53-56 Excellence in environmental and biodiversity management, page 57-61 Embedding a Culture of Sustainability in our Business, page 62-70 Managing risks related to sustainable growth, page 70
<b>Organizational Profile</b>		
2.1	Name of the organization.	CEMEX Latam Holdings, S.A.
2.2	Primary brands, products, and/or services.	About CEMEX Latam Holdings, page 4-6 Our market, page 13-18
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	About CEMEX Latam Holdings, page 4-6 <a href="http://www.cemexlatam.com/InvestorCenter/files/CorporateStructure.pdf">www.cemexlatam.com/InvestorCenter/files/CorporateStructure.pdf</a> <a href="http://www.cemexlatam.com/InvestorCenter/CorporateStructure.aspx">www.cemexlatam.com/InvestorCenter/CorporateStructure.aspx</a> 2013 20F, Our Corporate Structure, p.48-79: <a href="http://www.cemex.com/InvestorCenter/files/2013/CEMEX2013_20F.pdf">www.cemex.com/InvestorCenter/files/2013/CEMEX2013_20F.pdf</a>
2.4	Location of organization's headquarters.	Calle 99 Edificio 100 Piso 7, N° 9ª - 54. Bogotá, Colombia
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	About CEMEX Latam Holdings, page 4-6
2.6	Nature of ownership and legal form.	CEMEX Latam Holdings, S.A.
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	About CEMEX Latam Holdings, page 4-6
2.8	Scale of the reporting organization.	About CEMEX Latam Holdings, page 4-6 CEMEX Latam Holdings employees, page 37 CEMEX Latam Holdings had 4,391 employees by year end 2013
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	No significant changes during 2013.
2.10	Awards received in the reporting period.	Water: A resource for all, page 59-60

GRI	Disclosure	Location of Disclosure or answer
<b>Report Parameters</b>		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	About this report, page 71-72
3.2	Date of most recent previous report (if any).	About this report, page 71-72
3.3	Reporting cycle (annual, biennial, etc.)	About this report, page 71-72
3.4	Contact point for questions regarding the report or its contents.	About this report, page 71-72
3.5	Process for defining report content.	Our vision of sustainability, page 7-11 About this report, page 71-72 We expect that individuals from all of our stakeholder groups will review this report, including customers, suppliers, employees, shareholders, neighboring communities, NGOs, universities, governments, sustainability rating agencies, media, and industry colleagues.
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	About this report, page 71-72
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	About this report, page 71-72 Our vision of sustainability, page 7-11
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	About this report, page 71-72
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	About this report, page 71-72
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	About this report, page 71-72 CO <sub>2</sub> Emissions: page 72 Water Indicators: Under the framework of CEMEX-IUCN Water Project, in 2012 we developed our own methodology to standardize the reporting of our water key performance indicators. In addition, our water definitions have been updated according to the discussion that we are having within Cement Sustainability Initiative, who is setting common definitions for water indicators in our industry. In 2013, we have continued working on strengthening our reporting systems, which has led to more accurate data than what we have collected before. By having a better understanding of our water indicators, we are preparing ourselves to define actions to reduce our water consumption in the short term.
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Only those outlined in 3.10.
3.12	Table identifying the location of the Standard Disclosures in the report.	This GRI Index.
3.13	Policy and current practice with regard to seeking external assurance for the report.	This report does not have external assurance.

GRI	Disclosure	Location of Disclosure or answer
<b>Governance, Commitments, and Engagement</b>		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate governance, page 69 Committees section of our Investor Center webpage: <a href="http://www.cemexlatam.com/InvestorCenter/Committees.aspx">www.cemexlatam.com/InvestorCenter/Committees.aspx</a> Creation, with a permanent nature of Committees of the Board of Directors, as bodies with an internal informational and consultative nature, with no executive functions, but with the duty to inform, advice and make proposals within their scope: Audit Committee, Compensation and Nomination Committee, and Corporate Governance Committee. 2013 20F, Board Practices, 182-184: <a href="http://www.cemex.com/InvestorCenter/files/2013/CEMEX2013_20F.pdf">www.cemex.com/InvestorCenter/files/2013/CEMEX2013_20F.pdf</a>
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Corporate governance, page 69 Jaime Elizondo is President of the Board of Directors of CEMEX Latam Holdings Carlos Jacks is Chief Executive Officer of CEMEX Latam Holdings and Director of CEMEX Colombia
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	Corporate governance, page 69 CEMEX Latam Holdings does not have a unitary board structure. The CEMEX Latam Holdings Board of Directors is made up of nine directors, of which three are independent.
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Codes of Conduct for Good Corporate Governance: <a href="http://www.cemexlatam.com/InvestorCenter/CorporateGovernance.aspx">www.cemexlatam.com/InvestorCenter/CorporateGovernance.aspx</a> We listen to our employees, page 38 The Bylaws and the Regulations of the General Shareholders Meeting and Board of Directors, include several provisions to protect shareholders interests, for example: Creation of a Shareholders' Office, as channel of communication between the Company and its shareholders regarding the information related to a general shareholders' meeting and the Creation of an Investor Relations Department ("IR"), as the entity responsible for the communication and permanent relationship with shareholders as well as analysts and other stakeholders. For more information, visit: <a href="http://www.cemexlatam.com/InvestorCenter/CorporateGovernance.aspx">www.cemexlatam.com/InvestorCenter/CorporateGovernance.aspx</a>
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	Our key executives, including our senior management, participate in a Variable Compensation Plan that distributes a bonus pool based on the company's and the individual's performance. This bonus is calculated and paid annually--part in cash and part in restricted stock shares (Certificado de Participación Ordinarios) under a Restricted Stock Incentive Plan according to responsibility level. CEMEX does not have a global compensation scheme that specifically rewards social or environmental performance.
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Code of Ethics, page 21: <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a>
4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	We first ensure that prospective directors meet all legal qualifications and requirements to serve on the board. We then assess whether an individual is qualified based on his/her work performance, knowledge regarding issues relevant to CEMEX Latam Holdings, and other experience.
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Our vision: <a href="http://www.cemexlatam.com/AboutUs/OurVision.aspx">www.cemexlatam.com/AboutUs/OurVision.aspx</a> The new biodiversity policy (page 60) and chapters related to human rights and supply chain sustainability program in the Code of Ethics are two recent examples of internally developed principles ( <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a> ) Our biodiversity policy and strategy is aligned with "Aichi Biodiversity Target and its five Strategic Goals" ( <a href="http://www.cbd.int/sp/targets/">www.cbd.int/sp/targets/</a> )

GRI	Disclosure	Location of Disclosure or answer
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	The highest governance body at CEMEX assesses global sustainability performance every 3 months. Corporate governance, page 69 Managing risks related to sustainable growth, page 70 Committees section in our website: <a href="http://www.cemexlatam.com/InvestorCenter/Committees.aspx">www.cemexlatam.com/InvestorCenter/Committees.aspx</a> Compliance: <a href="http://www.cemexlatam.com/InvestorCenter/DisclosureInformationPolicies.aspx">www.cemexlatam.com/InvestorCenter/DisclosureInformationPolicies.aspx</a> <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a>
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	The board assesses its own performance on a variety of matters, including environmental, social, governance, and economic performance, based on reports received by the different board committees and on an annual report in each annual shareholder meeting.
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	Enhance our carbon strategy, page 53-56 Managing risks related to sustainable growth, page 70 Housing and infrastructure, page 19-25 Position Paper on Market Mechanisms for Mitigating Climate Change: <a href="http://www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Market_Mechanisms_for_Mitigating_Climate_Change.pdf">www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Market_Mechanisms_for_Mitigating_Climate_Change.pdf</a> Position Paper on Climate Change: <a href="http://www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Climate_Change.pdf">www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Climate_Change.pdf</a>
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	At a local level, CEMEX Colombia is a signatory of the Global Compact, a voluntary set of principles. For more information, see: <a href="http://www.unglobalcompact.org">www.unglobalcompact.org</a> . At a global level, CEMEX is a founding member of the Cement Sustainability Initiative, a voluntary sector project of the World Business Council for Sustainable Development established in 1999, and adheres to the Cement Sustainability Initiative's protocol for measuring emissions. For more information see <a href="http://www.wbcdcement.org/">www.wbcdcement.org/</a> .
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Partnership with key stakeholders, page 36
4.14	List of stakeholder groups engaged by the organization.	We build productive long-term relationships, page 8 We continually search for new opportunities to engage and have an open dialogue help build a stronger relationship with our clients, suppliers, employees, stakeholders, neighboring communities, NGOs, universities, authorities, sustainability analysts, media, and industry colleagues.
4.15	Basis for identification and selection of stakeholders with whom to engage.	Partnership with key stakeholders, page 36-46 We identify our stakeholders based on several factors, among which some of the most relevant ones are: 1) identify material issues through materiality analysis, 2) identify the relevant stakeholders based on their ability to help us make a project succeed 3) identify stakeholders whose interest align with ours in order to achieve a win-win situation 4) stakeholders that provide us with critical, objective and constructive feedback

GRI	Disclosure	Location of Disclosure or answer
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Our vision of sustainability, page 7-11 Embedding a Culture of Sustainability in our Business, page 62-70 Partnership with key stakeholders, page 36-46 CEMEX Latam Holdings social investment portfolio, page 27-28 We constantly optimize our portfolio of community development projects, page 28 Maintaining a direct, permanent, and productive dialogue with our neighbors, page 32 Furthermore we continually engage (monthly, quarterly annual) with our clients, suppliers, employees and neighboring communities using a diverse portfolio of mechanisms, including: customer service, satisfaction surveys, loyalty programs, the annual shareholders meeting, CEMEX Building Awards, sports tournaments, press releases, our website, Our Voice magazine, commitments survey, intranet, the Más para ti program, Voices magazine, and visits to our neighboring communities.
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Our vision of sustainability, page 9-10

Economic		
Management Approach	Economic performance	Letter from the Chairman of the Board and the Chief Executive Officer, page 2-3 About CEMEX Latam Holdings, page 4-6 Business and Financial Strategy: <a href="http://www.cemexlatam.com/AboutUs/OurVision.aspx">www.cemexlatam.com/AboutUs/OurVision.aspx</a>
	Market presence	About CEMEX Latam Holdings, page 4-6 Our market, page 13-18 Housing and infrastructure, page 19-25
	Indirect economic impacts	Housing and infrastructure, page 19-25 Strengthen local communities, page 26-35
EC4	Significant financial assistance received from government.	No significant financial assistance was received from any government.
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Ratio of standard entry level wage compared to local minimum wage: 1.42 This ratio was calculated by comparing local minimum wage and entry level employees at CEMEX Colombia, our largest operation, representing over 60% of our labor force.
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Building a sustainable supply chain, page 43-46 Although it may vary across our operations in the region, usually by local suppliers we mean suppliers with operations near our area of influence. For example in our operations in Colombia we consider local suppliers those that have operations within the community where we operate, for communities with less than one million people; or those with operations within the limits the area of influence of our operations, for communities with more than one million people.
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	CEMEX's indirect economic impacts, particularly those resulting from community initiatives, contribute to international goals and policy agendas associated with health, affordable housing, education, and environmental sustainability. Our vision of sustainability, page 7-11 Housing and infrastructure, page 19-25 Strengthen local communities, page 26-35 Managing risks related to sustainable growth, page 70

GRI	Disclosure	Location of Disclosure or answer
<b>Environmental</b>		
<b>Management Approach</b>	Energy	Enhance our carbon strategy, page 53-56 Our vision of sustainability, page 7-11 Position Paper on Alternative Fuels: <a href="http://www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Alternative_Fuels.pdf">www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Alternative_Fuels.pdf</a>
	Water	Efficient use and savings in water, page 59-60 Position Paper on Environmental Management and Biodiversity: <a href="http://www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Env_Man_Bio.pdf">www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Env_Man_Bio.pdf</a>
	Biodiversity	Focused on protecting and improving biodiversity, page 60-61 Position Paper on Environmental Management and Biodiversity: <a href="http://www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Env_Man_Bio.pdf">www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Env_Man_Bio.pdf</a>
	Emissions, effluents and waste	Managing waste, page 61 Position Paper on Environmental Management and Biodiversity: <a href="http://www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Env_Man_Bio.pdf">www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Env_Man_Bio.pdf</a>
	Products and services	Our market, page 13-18 Housing and infrastructure, page 19-25 Strengthen local communities, page 26-35
	Compliance	Excellence in environmental and biodiversity management, page 57-61
EN3	Direct energy consumption by primary energy source.	Total direct energy consumption: 16,909TJ
EN4	Indirect energy consumption by primary source.	Total indirect energy consumption (electricity): 2,264 TJ In Colombia for example, according to data from the National Planning Unit for Mining and Energy (Unidad de Planeación Minero Energética), approximately 80 percent of the electricity produced in the country comes from hydropower plants. The rest mainly comes from geothermal sources and the use of fossil fuels such as natural gas and carbon. Efficient use of energy, page 55-56
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Concrete pavements, a less expensive and more efficient solution, page 25 Support for designing and renovating buildings, page 23 Measuring the carbon footprint of our products, page 14
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Efficient use of energy, page 55-56
EN8	Total water withdrawal by source.	Annual water volumes consumed (thousand of cubic meters) - Water from wetlands, rivers, lakes and oceans: 1,419 - Ground water: 633 - Rainwater collected directly and stored by the reporting organization: 16 - Municipal water or other water utilities: 256 - Other sources: 79
EN13	Habitats protected or restored.	Focused on protecting and improving biodiversity, page 60-61 CEMEX at a global level has partnerships with the International Union for Conservation of Nature and BirdLife International that help us protect and restore habitats. All rehabilitation plans are compliant with local regulation. As part of its biodiversity policy, CEMEX globally believes that rehabilitation to restore biodiversity is the best available tool to reach a no net loss on biodiversity.
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	Focused on protecting and improving biodiversity, page 60-61 CEMEX-BirdLife Scoping Study: <a href="http://www.cemex.com/SustainableDevelopment/files/CemexBirdLifeBiodiversityScopingStudy.pdf">www.cemex.com/SustainableDevelopment/files/CemexBirdLifeBiodiversityScopingStudy.pdf</a> Position Paper on Environmental Management and Biodiversity: <a href="http://www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Env_Man_Bio.pdf">www.cemex.com/MediaCenter/files/CEMEX_POSITION_on_Env_Man_Bio.pdf</a>

GRI	Disclosure	Location of Disclosure or answer
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Enhance our carbon strategy, page 53-56 This is CEMEX Latam Holdings first Sustainability Report. In following reports we will be reporting our avoided CO <sub>2</sub> emissions.
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Concrete pavements, a less expensive and more efficient solution, page 25 Specialty concrete products for faster, lower-cost, and more efficient construction, page 13-14 Comprehensive solutions, page 15 Support for designing and renovating buildings, page 23 Measuring the carbon footprint of our products de nuestros productos, page 14 Water: A resource for all, page 59 Enhance our carbon strategy, page 53-56 Excellence in environmental and biodiversity management, page 57-61 We monitor our operations and mitigate the noise associated by using a variety of strategies, including noise suppression, isolation of noise sources, and careful scheduling of blasting activities.
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	0
EN30	Total environmental protection expenditures and investments by type.	US\$5.5 million

Labor Practices and Decent Work		
Management Approach	Labor/management relations	Right to free association, page 68 Committed to the highest ethical standards, page 63-65 Code of Ethics: <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a>
	Training and education	Our vision of sustainability, page 7-11 Committed to the highest ethical standards, page 63-65 Partnership with key stakeholders, page 36-46
LA1	Total workforce by employment type, employment contract, and region.	CEMEX Latam Holdings employees, page 37
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Our goal is zero incidents, page 47-48 Protocols and techniques for collecting information, page 72
LA12	Percentage of employees receiving regular performance and career development reviews.	The key to our success: learn, improve, evaluate, page 40 Professional growth: a personal decision, page 40 100% of CEMEX Latam Holdings employees are continually evaluated and expect feedback regarding their performance and goals

GRI	Disclosure	Location of Disclosure or answer
<b>Human Rights</b>		
<b>Management Approach</b>	Investment and procurement practices	Supplier Code of Conduct When Doing Business with Us: <a href="http://www.cemex.com/Suppliers/CodeOfConduct.aspx">www.cemex.com/Suppliers/CodeOfConduct.aspx</a> Managing risks related to sustainable growth, page 70 Building a sustainable supply chain, page 43-46 CEMEX Anti-Bribery - Anti-Corruption Policy: <a href="http://www.cemex.com/AboutUs/files/Anti-bribery-Anti-corruption.pdf">www.cemex.com/AboutUs/files/Anti-bribery-Anti-corruption.pdf</a>
	Non-discrimination	Committed to the highest ethical standards, page 63-65 Code of Ethics, page 9-11: <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a>
	Freedom of association and collective bargaining	Right to free association, page 68 Code of Ethics, page 10: <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a>
	Child labor	Child labor, page 67 We choose to work with sustainable suppliers, page 43 Respect for human rights, page 65
	Forced and compulsory labor	Forced labor and safe workplace, page 67
	Indigenous rights	Code of Ethics, page 9-11: <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a> At a local level, CEMEX Colombia is a signatory of the Global Compact, a voluntary set of principles. Each site has the responsibility of measuring and taking into consideration in a case by case basis, potential risks regarding human rights, including indigenous rights. Life is better where our company is present, page 12
HR4	Total number of incidents of discrimination and actions taken.	Ethics Committee, page 65 There were no reports related to discrimination during 2013.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Right to free association, page 68 No risks to freedom of association or collective bargaining were identified. CEMEX fully acknowledges, supports, and respects its employees rights to freedom of association, provided all actions are legal and that they do not interfere with the employees' duties and responsibilities. We also engage with employees through: collective bargaining processes, meetings of the board of directors with workers, meetings by specific departments, and individual meetings within departments.
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	Child labor, page 67 No risks of this kind were identified. At CEMEX we are strongly committed to protecting and respecting the rules regarding child labor in every country we operate. Our selection and hiring process requires the presentation of government-issued identification. This process also extends to our contracted labor suppliers.
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	Forced labor and safe workplace, page 67 No risks were identified. We forbid all forms of forced labor and have implemented company procedures and training to prevent inadvertent violations of these policies. We do not require anyone to perform hazardous tasks against their will or tasks that are detrimental to their health or well-being. In addition, we take measures to prevent workers from falling into debt bondage through company loans. All employees are free to leave the company at any time.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	We are not aware that any violations involving rights of indigenous people have taken place in our operations.

GRI	Disclosure	Location of Disclosure or answer
<b>Society</b>		
<b>Management Approach</b>	Community	Strengthen local communities, page 26-35
	Corruption	Continuous training, page 64 Code of Ethics, p.17-24: <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a> Supplier Code of Conduct When Doing Business with Us: <a href="http://www.cemex.com/Suppliers/CodeOfConduct.aspx">www.cemex.com/Suppliers/CodeOfConduct.aspx</a> CEMEX Anti-Bribery - Anti-Corruption Policy: <a href="http://www.cemex.com/AboutUs/files/Anti-bribery-Anti-corruption.pdf">www.cemex.com/AboutUs/files/Anti-bribery-Anti-corruption.pdf</a>
	Public policy	Public policies, page 68 Position Papers: <a href="http://www.cemex.com/AboutUs/PositionPapers.aspx">www.cemex.com/AboutUs/PositionPapers.aspx</a>
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	Community relations are managed at the country level so that they can be tailored to the particular local circumstances. Before we open, close, or change local operations, we talk with our neighbors in order to improve our mutual understanding of needs and concerns. 100% percent of our operations have community engagement plans, which help us to identify the communities near our operations, our impacts on them, and their needs; and then develop and implement effective, site-specific social programs. Our new Environmental Management System includes a requirement that all business units consider community concerns when identifying the potential effects of our operations. Though details are determined locally, the community plans must be in accordance with CEMEX's social-investment guidelines. These internal guidelines provide a common framework for the planning and execution of all of our social-investment strategies: programs we run directly, programs conducted through partnerships with stakeholders, cash and in-kind donations, and employee volunteer efforts. Strengthen local communities, page 26-35 Life is better where our company is present, page 12
S02	Percentage and total number of business units analyzed for risks related to corruption.	We choose to work with sustainable suppliers, page 43-45 All of our countries do an annual legal audit related to corruption risks in our business systems and processes. In addition, all supplier contracts include not only anti-bribery clauses, but also anti-bribery certification letter. Additionally CEMEX makes its best effort to analyze suppliers' historical corruption behavior prior to signing a contract.
S04	Actions taken in response to incidents of corruption.	There were no incidents that met the Foreign Corrupt Practices Act and UK Antibribery Act standard for corruption, nor were any legal cases regarding corrupt practices by either our organization or our employees concluded during the reporting period. We continuously monitor our employee's behavior and and compel our employees to report any corruption acts through our safeline, ETHOSline.
S05	Public policy positions and participation in public policy development and lobbying.	Our vision of sustainability, page 7-11 Public policies, page 68-69 Position Papers: <a href="http://www.cemex.com/AboutUs/PositionPapers.aspx">www.cemex.com/AboutUs/PositionPapers.aspx</a>

GRI	Disclosure	Location of Disclosure or answer
<b>Product Responsibility</b>		
<b>Management Approach</b>	Product and service labelling	All of our products comply with applicable local legislation and disclose all required information. Additional information can be found in our Material Safety Data Sheets available for all of our products.
	Marketing communications	Code of Ethics, page 12: <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a>
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	We listen to our clients, page 42
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	Code of Ethics, chapter 3: <a href="http://www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf">www.cemexlatam.com/InvestorCenter/files/CodeOfEthics.pdf</a> Marketing communications standards are applied and managed and continuously updated locally to always adhere to local regulation and best practice in countries where CEMEX operates. We do not sell products that are banned in certain markets or that were the subject of stakeholder questions or public debate.

Full Answer

Partial Answer

# Statement GRI B Application Level Check



## Statement GRI Application Level Check

GRI hereby states that **CEMEX Latam Holdings S.A.** has presented its report "Building solutions that promote development" (2014) to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines. For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 07 August 2014

A handwritten signature in black ink, appearing to read "Ásthildur Hjaltadóttir".

Ásthildur Hjaltadóttir  
Director Services  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 31 July 2014. GRI explicitly excludes the statement being applied to any later changes to such material.



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