



Welcome to UK News July 11th 2019
your weekly update from around CEMEX UK

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BEING THE BEST FOR FAMILIES

Mid-Year Message from Sergio



As we close our results for the first half (1H) of 2019, I would like to thank you, our leadership team in Europe, for your commitment and hard work. We are delivering improved results vs last year, while implementing a leaner organization and optimizing our asset footprint.

I would like to share with you some of our performance highlights as a region for 1H 2019:

- **Health and Safety:** an improved performance with 0 recordable fatalities, 4 employee LTIs vs 7 LY (3 of them in cement operations), and a reduction in the LTI rate YoY (year on year) from 0.8 to 0.4. Contractors LTIs remain flat at 4, while total TRIs reduced from 35 to 29. One accident is too many and we must continue a disciplined approach in all our operations, every day, to eradicate risks and eliminate all accidents.
- **Financials:** Results slightly better than target and better than last year thanks to our pricing discipline and improved performance in all our business lines including related business. The initiatives under Stronger CEMEX are paying off, including our reorganization, optimization of supply chain, LCC (low cost countries), ONL and cost initiatives in the materials business.
- **Operations:** We have achieved new records for operative efficiency and alternative fuels (AF), which reached a new milestone over 60%, well above Europe's industry average of around 40%. Reaching this level means we will use over 700 thousand tons less of fossil fuels, and reduce CO2 emissions by more than 1 million tons per year (the equivalent emissions of over 200 thousand cars per year!) Our focus on operational excellence has helped us increase operating margins in aggregates of close to 2pp (percentage points), while in ready mix we are still lagging behind with margins contracting by 0.5pp vs last year.
- **Customer Centricity:** We have made significant progress with CEMEX Go across all segments. This is just the beginning of a digital platform that will continue to evolve and transform our customers experience. Adoption is critical to build scale, improve our offering and be ahead of our competitors. NPS (net promoter score) is also improving, although we are still



far from our aspiration. During the 2nd half of the year we will focus our energy and resources on our core customer base (representing close to 80% of our sales) to improve both CEMEX Go adoption and NPS.

- **Sustainability and CSR:** Concrete is one of the most sustainable building materials, and we are determined to continue reducing its carbon footprint to reach net zero. Recent studies for instance show concrete naturally reabsorbs around 25% of its CO₂ through time as air reacts with the calcium hydroxide contained in concrete to form calcium carbonate. We have a CO₂ reduction roadmap for clinker, cement, and concrete, with several ongoing initiatives and R&D projects that will be part of our communication to all our employees, customers, and stakeholders. We have also been quite active on the CSR front, and will gradually increase the focus of our activities around our role in the circular economy and sustainability.
- **Grow Europe:** As many of you know, we have grouped our operations in over 45 metropolitan markets in Europe, common to all our business lines, and started to identify growth and investment opportunities per segment and business line. In 2019 we are reinvesting over 200 million Euros in Europe and will continue to invest to strengthen our position and capture growth opportunities in our metropolitan markets during the 2H and 2020.

I know there are many more good stories and examples in your respective areas. If you haven't done so, I invite you to log into the CEMEX Europe group in Yammer to share more stories, know about what our colleagues are doing across Europe, and show them your support.

Looking ahead for the 2H of the year I am encouraged at the progress we are making and I believe we are on track to deliver a good performance for the whole year. Let's stay focused on safely delivering best value for all our stakeholders.

Thank you again for your dedication and support, and congratulations to all for delivering on our targets during a quite challenging 1H of 2019!.

Best regards,

Sergio Menendez, CEMEX President Europe



Contractor Safety



While we have reported a tenth consecutive week employee and contractor Lost Time Injury (LTI) and Recordable Injury (TRI) free, we have experienced two incidents recently (both in UK Asphalt) that remind us of the importance of always putting safety first.

In one of the incidents, on Monday of last week, a driver for a collect customer at one of our plants slipped and fell as he climbed back down his truck ladder, after operating the HIAB controls; he reached for the handrail with his left arm, but the action of falling and the sudden movement caused him to tear his bicep. We believe the driver requires an operation to repair his torn tendon and is expected to be off work for 4 weeks; we wish him a speedy recovery.

In the second incident, a skip had been running out of line for some time, wearing the skip track and deforming it, while also eroding the flange on one of the skip wheels. This caused the track gauge at the bottom to become wider and, at the time of the incident, one of the front

wheels came off the track and ran underneath it as the skip was elevated. As the skip reached the top, where it had to go over a bend, the front left wheel hit two gusset plates, forcing the skip off the track, whereupon it fell and impacted a cross beam; the resulting damage is shown in the photo.

VFL's with contractors



In order to support the contractor safety campaign we have running throughout this third quarter of the year the H&S team have produced some guidelines to aid those involved in Visible Felt Leadership (VFL) Tours. Managers and Supervisors are asked to support the campaign and help keep our contractor partners safe, by ensuring between 50 and 75% of their VFLs are carried out with contractors during this quarter, either on-site or with drivers on-road.

We all have an opportunity to show our personal health and safety leadership by regularly discussing health and safety with contractors, ensuring they work safely and taking the time to Step In if we see something we believe may be unsafe.

Safety Award for London School



Well done to Sharon Baker and the team who ran a safety day for the Franciscan Primary School in London. They are a regular fixture in the school which has won a certificate from TFL in recognition of their safety days.

As part of the day they are shown one of our trucks and are able to sit in the driver's seat to see it from a different perspective. The school thanked the team and the students thoroughly enjoyed the day.



Customer safety award



We award some of our Customers who go above and beyond to help keep our Contractors and Employees who have to visit their site safe, with a Partners in Safety Award.

In the picture from left to right is Roger Taylor Operations Manager DSM, Mark Jefferson Project Manager Kier, John Evans Silo Operator Kier and Darren Stevens Silo Engineer DSM.

As soon as you go on Kiers site The Avenue at Chesterfield it's very obvious it is well managed, Mark Jefferson and his committed Team are doing a Fantastic job of Traffic Management, all Pedestrians are segregated where possible and the site including the area around the silos is very clean, which makes our Representatives deliveries/visit to the site safer. The site has been running for over a year now, the silos still look brand new and with the hard work done by John Evans ensuring the mixing units are cleaned correctly we have not had the need to respond to a break down.

Mark was very happy to receive his award and said it was a pleasure to work with Cemex, from the initial site assessment with the Silo Engineer to the everyday dealings with the Office we were very easy to work with and very professional (Mark's words not mine **I promise**). He also went onto comment about the speed of deliveries, they used to use a competitor and it took between 5 and 7 days to get a load of Mortar, with Cemex I can get a load of Mortar within 48 hours.

School's nearly out...



As we near the end of the academic year remember to be extra vigilant for children and young adults crossing roads.

We have produced this safety postcard to remind everyone to keep an eye out for vulnerable road users, they are being sent out to all our drivers to help keep everyone safe over the summer.

Safety Academy enters next phase



The next phase of the Safety Academy training got underway last week, with Module III training. Thanks go to Dan Bateman and Lee Wearing for leading the training, and also to the delegates, whose engagement and participation helped ensure the course was a success.



BEING THE BEST FOR CUSTOMERS

neogem plays polo



neogem, our premium aggregates brand, has provided the world-renowned Cowdray Park Polo Club with 3,000 tonnes of sports sand, in preparation for this year's Gold Cup competition.

The club was looking for a sand which could increase the grip for horses whilst on the pitch, enhancing performance, and offering better drainage. The sand needed to allow horses to run safely and comfortably

during damp conditions, helping their hooves to grip to the grass. It was also important for the sand to feature a good particle size distribution and bury itself into the grass.

In addition to the 3,000 tonnes initially provided, a further 2,500 tonnes will be provided to the club before the end of the year, with the same total quantity required annually.

neogem's sports sand pro was identified as the best sand to meet the club's needs. This high-quality sand has been certified, tested and approved by the Sports Turf Research Institute (STRI). It is washed prior to delivery to ensure a fine, soft finish.

Tracey Taylor, neogem sales representative, commented: "It was a real privilege to work with Cowdray Park Polo Club as they prepare for this year's Gold Cup. neogem's sport sand is the ideal product for such a world-class polo pitch; helping the horses to perform and the pitch to retain its reputation as an incomparable setting for a premier polo tournament.

"One of the key challenges for this project is to work around the British weather; sand can only be spread when it is dry and not too windy. This meant a close working relationship was needed with the club to ensure we could supply at short notice and can also continue to do so throughout the season as repairs and top-ups to the pitches are needed."

Julian Russell Hayes, Grounds Manager at Cowdray Park Polo Club, added: "We need our polo pitch to be at its best for the Gold Cup and choosing the right sports sand is a key part of this. We are very happy with the neogem product and the service provided during purchase, delivery and installation."

The premium aggregates available from neogem are now available in selected countries across Europe, and are fast building a reputation as luxury, high performance products that can be relied upon, particularly in the sports sector. For instance, at last year's UCI Trials World Cup in Berlin, neogem provided materials for the construction of the course.

For more information about neogem's sports products, please visit: <https://www.cemex.co.uk/neogem-premium-aggregates>



BEING THE BEST FOR SHAREHOLDERS

Operational Excellence Excels



Operational excellence in Materials West Europe which include the UK, is going from strength to strength. The JUST Ci initiative continues in our aggregate plant with East Leake Quarry winning the May competition.

The plant was fed by a Finlay 595 screen and conveyor unit, but due to the oversize and

deleterious material that is common with the deposit we were getting various blockages because of the material not being screened effectively. These caused issues lowering the through-put to only 100tph.

The team heard about a McCloskey screen R155 on hire at Hatfield quarry which has similar issues to East Leake so they went down to investigate. They hired the McCloskey on a trial period to see if they could improve production issues. They soon realised that they had eradicated all blockages and increased tph to an average of 167tph.

There are some great examples from around the country of our Just Ci activities. See the download section of the UK News website for the full summary: www.cemexuknews.co.uk/downloads



Cyber Security Sessions at Rugby Head Office



Did you know that the number one security risk to CEMEX in the UK, and globally, is cyber enabled crime?

Or that in the last two and a half years, attempts at cyber related fraud would have cost CEMEX in the UK alone more than £2 million?

Staying safe online is therefore vital for all staff at CEMEX – both when at work and personally.

To provide advice and insight into this important subject, the security team organised a series of free sessions at Rugby Head Office last week, led by James Squire, the Regional Organised Crime Unit rep for Cyber Security (Prevent).

Over 40 people attended the sessions, and learnt about how their actions, unwittingly or otherwise can make themselves and CEMEX vulnerable online, and the best practice for staying safe.

Colin Jones, UK Security Manager, commented: "With 19,000 cyber attacks on UK businesses reported every day, we must ensure that we are not taking unnecessary risks when working online. Businesses large and small are at risk, from national platforms such as LinkedIn through to organisations like St John's Ambulance (which was subjected to a ransomware attack earlier this month).

It's scary how much information criminals can easily find about us on the internet, and then how quickly they can use this to access accounts and create real problems for people in their personal lives and also at work. Hopefully those who attended the sessions have taken away several learnings that will help them to stay secure online."



For those who couldn't attend at Rugby Head Office, a further session is planned at Rugby Cement Plant for later this year, where a recording of the session will be made.

Permission to de-water quarries...



Chris Pointer and Tenant Sibanda from the Geology and Land Search Management team have recently been working tirelessly to ensure we can continue to legally operate our quarries. We now have in place all our validation letters so we can continue to dewater and abstract water from our quarries.

Tom Giddings, who heads up the team explains, "I'm guessing that 99% of people probably won't have been aware that we were



facing a huge threat to our aggregate business from the Water Act 2003 legislation. In some cases if you can't dewater, you don't have a quarry! The guys have been working super hard to achieve this, and in late June we received that last outstanding 'transitional licence application validation' letter – 6 months ahead of schedule! It's thanks to Chris and Tenant's tenacity that we have got all of our licences in place."



BEING THE BEST FOR COMMUNITIES

Vive Le Tour...de Cemex



This weekend will see the CEMEX UK cycling team set off on their ride epic from London to Paris to raise money for The Stroke Association.

The team will congregate in London city centre on Saturday morning and begin their Journey to Paris – taking them to Brighton; Dieppe; Gournay-en-Bray; Rungis then hopefully arriving in Paris late on Monday !

They have chosen to ride in aid of the Stroke Association as colleague, Matt Crowder (Paving Solutions), suffered a stroke earlier in the year and they wanted to do something to show

their support for him and his family as he embarks on the long road of recovery.

The L2P riders include: Rebecca Wright, Legal; Colin Jones, Security; Emma Wright, Legal; Rob Greenfield, HR Planning & Development; Naomi Read, Raw Materials; Andrew Bucknall, Procurement; and James Fairclough, Marketing.

Donations can be made on their JustGiving site : www.justgiving.com/cemexbikeride

Watch out for live updates of their journey as they progress towards Paris, hopefully they don't get caught up in Le Tour !

Rugby plant school lend a hand



Last weekend four of the Rugby Plant team went Boughton Leigh Junior School for a lend a hand project.

They repaired and repainted there playground bandstand ready for their summer fayre. Well done the team Mark Rozic, Andy McGregor, Roy Edmunds and Matt Rudd. They even received a giant thank you card from the school. Presented here by Mark's daughter. Great job!



BEING THE BEST FOR EMPLOYEES

60 years' for South Ferriby Drivers



Congratulations to South Ferriby drivers Mark Waters, Mick Connor (pic right), Darren Cockerham (pic left) and Keith Newton who have all recently completed 15 years' service.

Can't imagine how many miles have been travelled by the drivers in the 60 years combined service but here's to many more safe ones!

Last call for pledges!



The **closing date for pledges is Friday 12th July** with the winner being announced the following week, so keep your eyes peeled.

Don't forget, the most innovative and creative pledge will win an amazing prize, so make sure to get your ideas out there and don't forget to include your name and location! This also helps us follow up with some of the pledges in order to get some of your suggestions implemented!

As always, for those at Rugby office, all the resources you need for your pledges have been provided, and for those not based at Rugby, please submit your pledges here:

Pledge Wall Suggestion Box:

<http://freesuggestionbox.com/pub/xawcsmq>

As always, any suggestions or ideas you have, please email impact@cemex.com!

We would love to hear from you for the next edition

To send us a story: either click on 'submit a story' on the UK News website or email gb-communicationsandpublicaffairs@cemex.com

If you can, please include a photo too (taken in super fine landscape setting and saved as a jpeg.) Thank you.

