



Welcome to UK News 29th January 2020
your weekly update from around CEMEX UK

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BEING THE BEST FOR FAMILIES

Time To Talk Day 2020....



Next Thursday, 6th February, is national Time to Talk day. Choose to talk about mental health and help change lives. Too many people feel isolated and ashamed when it comes to mental health. One in four of us have mental health problems, it's time to be more open with each other to help break the taboo.

Take the time to talk about mental health with colleagues next Thursday – have a tea break and a talk. Maybe play the 'would you rather' game or the mental health pub quiz, leave the mental health word search lying around in your messroom, all of these and more can be found on the time to change website; or see their tips for talking, to kick start the conversation....

To find out more go to the website: www.time-to-change.org.uk They have a whole section on activities in the workplace to help break the ice.

As well as all the charities out there to help, remember that CEMEX employees have a confidential helpline they can use if they need support: Freephone: 08081682143

Happy Hatfield 15 Years LTI Free



Massive congratulations to the team at Hatfield quarry for completing 15 years with no LTIs. This is a great achievement and reflection on the team.

Like the celebratory jackets!



Confined Space Training



Well done to the North East Aggregates and Asphalt team for completing their confined space training last week.

Fire Emergency Check



Roger Taylor, Operations Manager for DSM, invited Essex Fire Brigade down to Braintree to look at our emergency procedures. Even though they were impressed with our preparations, they were able to offer some very good advice.

The Fire Brigade were able to update their reaction file on our site too, including where the gas oil was stored and how much, the whereabouts of propane cannisters and their size, traffic plans, key holders for out of hours, and positions of hydrants, etc.

When they discussed emergency retrieval from the top of the silos and confined spaces the Fire Brigade expressed an interest in completing a real-life exercise using one of our silos in the near future.

The Firemen in the picture are with Lee Liggan, Braintree Plant Manager.

DB Cargo 'Best' Health & Safety Supply Chain Contractor



Congratulations to DB Cargo, one of our rail freight providers, who have been recognised for the health and safety performance and culture by winning the Supply Chain Contractor Recognition Award for Q4 2019.

Pictured is Mark Grimshaw-Smith presenting the certificate to the DB Operational Team.



Safety VFL At A Chilly Dove Holes

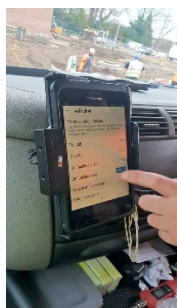


A cold morning at Dove Holes, but plenty to talk to our hauliers and drivers about, as we engage in VFLs about Road Safety.

Thank you to the Dove Holes team and Carl Milton, Rob Wilkinson Steven Coles, Lee Needham and Julie Welch.

BEING THE BEST FOR CUSTOMERS

Another Happy CEMEX Go Customer



Tony Coleman and the Materials team up in Darlington had another happy CEMEX Go customer last week.

The entire order was placed and tracked with Go. This allowed the customer real time tracking information of every load, giving the customer up to date information which is vital to utilise their work and time on site.



BEING THE BEST FOR SHAREHOLDERS

New Doosan For Hereford Readymix



Last week saw a very welcome addition to Hereford Readymix plant, and a very happy Plant Manager, with the arrival of a new Doosan loading shovel.

First impressions are very good as the shovel is doing a cracking job working at the plant.

CEMEX Participates In Construction Of Dam In Northwest Mexico



CEMEX recently announced that it applied its technological capabilities to supply concrete specially designed for the construction of the Presa Bicentenario (Bicentennial Dam), located in the state of Sonora, in Northwest Mexico.

The dam has a storage capacity of 484 million cubic metres of water and aims to control the floods that affect the local community during the rainy



season. It is estimated that the dam contributes to the protection of approximately 11,000 homes in urban areas, 6,000 rural homes, 34,000 hectares of crops, and 48,615 hectares of infrastructure (roads, agriculture, health, education, etc).

Read the complete press release: <https://cmx.to/38vZh19>

BEING THE BEST FOR COMMUNITIES

A Note For Posterity....



With the prize money from the Woodland Trust, Frank Hogg and team put up a notice board recording the history of the 'Electric Oak' at Wickwar quarry.

The information board explains the history of the ancient 800 year old oak tree and its recent near death experience, for future generations to appreciate.

Biodiverse Brian



Huge congratulations to Brian Beales, Quarry Manager, who has been awarded joint winner of the MPA Biodiversity Award 2019 - The Butterfield Trophy, for outstanding contribution to Biodiversity - for his commitment to biodiversity at Wangford and Flixton quarries over many years.

A richly deserved award Brian – well done.

Fantastic Mr Fox



Denge had another wildlife visitor last week as a very brave fox came within feet of the team to get a treat from staff.

Let's hope he doesn't get too close to the Denge ducks.....



BEING THE BEST FOR EMPLOYEES

Please Wear Your Pass....



The UK Security team issued this email to everyone in Rugby office recently, however, it has relevance to everyone on a site or office needing a pass. Please wear yours at all times:

Good morning all. Your immediate attention is drawn to a security incident here at CEMEX House.

At approximately 7.35am this morning, three persons with no connection to, or business with CEMEX, managed to gain access to the reception area here at CEMEX House. Two of the persons were wearing hi-viz jackets giving the impression that they were either attending a training course or otherwise doing some work on the premises. It quickly became apparent that they had no business being on site and after loitering in the reception area for several minutes exited the building when asked to do so by reception.

This scenario serves as a useful reminder that the security of the building is the responsibility of all and that passes should always be worn when you are on site (to allow easy identification) and removed when you are off site (out for lunch etc) – remember your pass is effectively a key to the building, please take responsible care of it.

When you enter or exit the building please take a moment to make sure that the doors in the reception area are closed after you have passed through them and you are not followed into the building by anyone not wearing their CEMEX pass.

Any lost, stolen or misplaced passes should be reported to either John Sweeting or Colin Jones as soon as possible so that they can be cancelled, and our premises kept as secure as possible.

Your cooperation in keeping CEMEX House a safe working environment for all is much appreciated.

Welcome Tim



The Marine team welcomed Tim Brunton, the new Isle of Wight Aggregates GM, last week.

He is pictured here (left) talking to Graham Singleton about resources, systems and joint venture growth!



Recent ECC Communique Available Now



The European Consultative Committee was held in Paris on 17th and 18th September 2019.

Chaired by Sergio Menendez, Europe President, 14 employee representatives from UK, Spain, Germany, France, Czech Republic and Croatia covering our Europe Region were provided with presentations

covering nine key business areas including Health and Safety, Sustainability, Business Performance, Human Resources, and Corporate Social Responsibility. The employee representatives were given the opportunity to discuss issues raised during the presentations and to ask questions from their constituents.

A copy of the Communique which is produced after each ECC meeting is at the end of the of this document and can be downloaded here: <http://www.cemexuknews.co.uk/downloads/>. It includes the key issues raised and the questions asked by the employee representatives.

Internal Vacancies

IVC Ref	Position	Company	Location	Closing date
15-01-2020	Asphalt Plant & Depot Manager	Asphalt	Bletchley Asphalt Plant	06/02/2020
16-01-2020	Plant Manager	Materials UK North - Scotland	Perth Concrete Plant	03/02/2020
17-01-2020	Plant Manager	Materials UK North	Whitby Concrete Plant	04/02/2020
18-01-2020	Sales Executive	Materials UK South West	Heresfordshire, Worcestershire & Powys	06/02/2020
19-01-2020	Relief Operative	Materials UK Midlands	West Midlands	07/02/2020
20-01-2020	Weighbridge Operative	Materials UK South West & Wales	Freemans Quarry	11/02/2020

For further details on other roles and a full listing of other vacancies, together with information on how to apply, please log on to CEMEX Shift > My Services > Internal Vacancies>New IVCs.

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.





CEMEX European Consultative Committee Meeting

17-18 September 2019
Paris, France

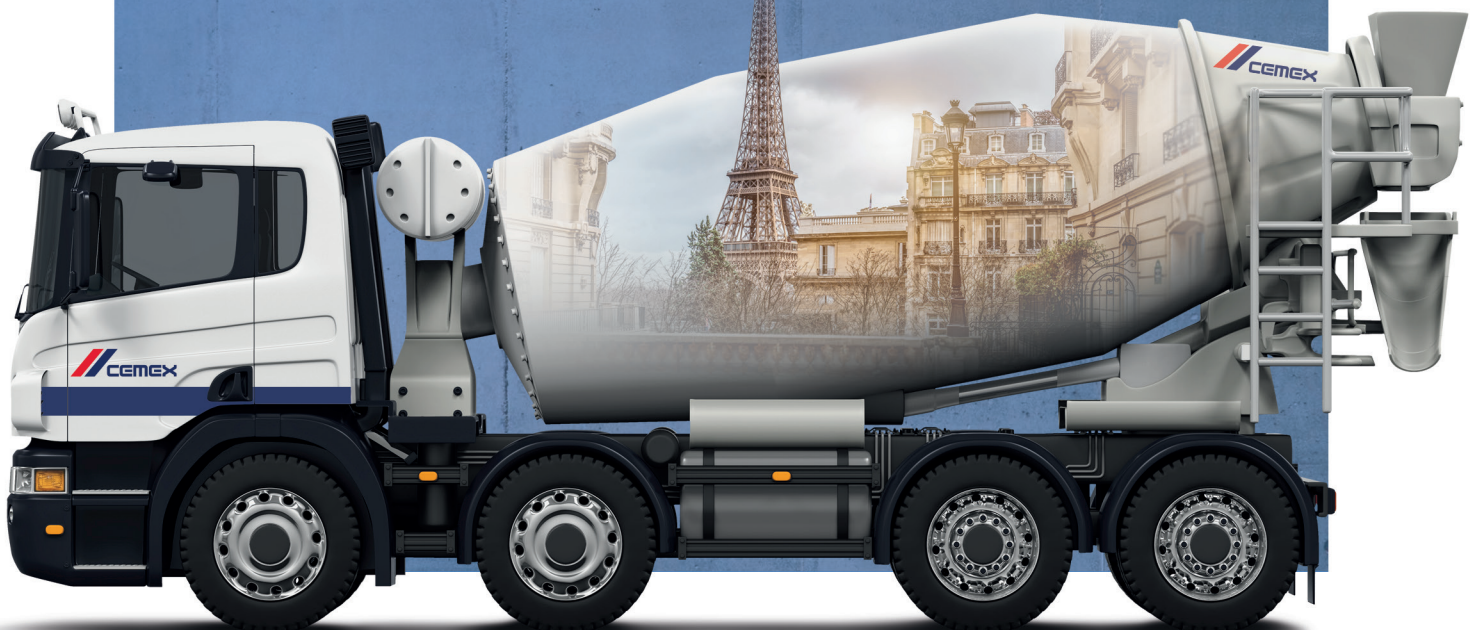


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WELCOME

Derek O'Donnell welcomed all delegates and introduced members of the regional team present. Derek O'Donnell noted a change to the agenda due to Sergio Menendez having to attend a global management meeting in Madrid. Jean-Serge Peret expressed his disappointment at this, to which Sergio Menendez reassured delegates that he would assign extra time to his Q&A session.

José Lafuente commented that the documents presented were confidential and asked for clarity on what information they can relay to employees. Derek O'Donnell confirmed that while documents are confidential in accordance with article 6 of the agreement, what is discussed is free to be distributed. ♦



HEALTH & SAFETY

Javier Mota presented on health and safety and began by asking the room to observe a minute's silence in memory of recent employee and third-party fatalities.



Javier Mota

The rate of employee fatalities within CEMEX has been reducing. In 2018, for first time ever in CEMEX, we can celebrate a year with Zero employees fatalities. The rate of LTIs has also been reduced, although this has risen in recent months with stand-down sessions being introduced and improve performance. Encouraging everyone on-site to report hazards and near misses has resulted in an improvement in numbers. Sickness absence rates have remained flat. Health and safety structure in Europe has been designed to ensure a better governance, increasing department independence and reporting directly to President of Europe. We have a matrix structure with health and safety head in each country alongside coordinators for each business function.

Safety initiatives ran throughout 2018 and first half of this year. A pedestrian safety campaign has been run across Europe and was promoted on over 100 trucks. \$4.7 million is to be invested on guarding and isolation from

2018 to 2020. Health is also being promoted with several campaigns and specially Healthy Heart campaign which is being launched this week in all countries. Looking at health and safety awards, Javier Mota noted that all countries have received at least one award, highlighting the positive work being done in Europe. ♦

Health & Safety Q&A

Jean-Serge Peret commented that while health is as important as safety, the work being done for health wasn't being talked about and social risks weren't being discussed. Mental and psychological aspects need to be considered. Jean-Serge Peret asked if action plans were in place to assist staff during heat waves. Javier Mota reflected that there are safety procedures that are triggered to prevent effects of heat waves in workers. Also they are working on health and wellbeing campaigns being done at a local level. Derek O'Donnell added that they are increasing their focus on health and suggested that Javier Mota provide a short summary of programmes that can be distributed.

José Lafuente noted that while there are high safety standards, health appears to be marginalised, and that countries need the same procedures and initiatives. José Lafuente asked what protection workers get when they are declared unfit for work, as well as what will be done to avoid road accidents. Javier Mota explained that they are promoting safe driving with employees and contractors as well as training for those who don't normally drive. Health surveillance models differs across countries according to local requirements, but in all of them it is based in job position risk assessment. Having said that, the company is looking to standardise practices across Europe, especially to promote healthy habits.

José Lafuente expressed concern regarding employees working in hot temperatures and asked that supportive initiatives be introduced. Javier Mota offered reassurance that there are many actions implemented to avoid the risks heat while working, like increased resting periods and banned hard works outside during the hottest part of the day, delivering beverages for more frequent hydration, training to identify heatstroke and specific first aids, etc.

Addressing Muriel Peretti's question regarding long sleeves shirt material, Javier Mota explained that they have been working on this in Spain with good results and now need to look at standardising uniform across Europe. ♦



Jean-Serge Peret

Andrew Spencer presented on sustainability. Strong progress has been made on CEMEX Europe's sustainability performance with CO2 emissions now having been reduced by 30% since 1990 and over 30% of electricity coming from renewable power. CEMEX now consumes more than 47 times the waste produced. Since the launch of the sustainability scorecard last year, CEMEX Europe is the second-best region, and the sustainability maturity level has improved from 57% to 61%.



Andrew Spencer

The concrete industry has continued to come under pressure in the press and it's therefore essential that they demonstrate how their products can be competitive and sustainable. With 80% of a building's environmental impact coming from when it's in use, it's important to look at how resilient CEMEX's products are against a changing climate.

The CO2 roadmap looks to help achieve a 40% reduction in CO2, and work will be done to ensure permits for alternative fuels are achieved along with greener and electric vehicle fleets. All employees need the opportunity to engage in being advocates for the industry, and therefore communications will be sent out in Q4 2019 to employees, customers, governments and stakeholders regarding plans beyond 2030 and the aim to be net carbon zero by 2050. ♦

Sustainability Q&A

Derek O'Donnell asked Andrew Spencer for 3 facts that employees could remember regarding the positive impact of CEMEX's products. Andrew Spencer suggested that their products perform well in use, they are resilient in extreme weather conditions, and are locally resourced materials with hidden benefits, such as concrete absorbing 15-25% of the initial emission of CO2.

José Lafuente commented that it's difficult to promote the sector's sustainability and wondered if they could replicate the situation in Austria where the population around the plant are defending it. Andrew Spencer agreed that there is an issue regarding the perception of the sustainability of the sector, and that the upcoming campaign will also work with trade associations and external agencies to help promote the wider benefits of their products and solutions.

Jeffrey Sewell asked if they should be giving the media correct information to ensure a more balanced view. Andrew Spencer explained that they did this and that this had resulted in more balanced media coverage.

Uwe Pommer spoke of the research from Brandenburg naming CEMEX as the third highest CO2 producer. Andrew Spencer suggested that the article was incorrect as a lot of other CO2 emissions won't be measured from other sources and that the cement industry is only responsible for 1.5% of emissions in Europe. Rüdiger Kuhn added that they need to focus on the sustainability of their products and that each employee needs to promote this message. ♦



Uwe Pommer - Konrad Meier

BUSINESS PERFORMANCE

Sergio Menendez presented on business performance and began by reiterating the priorities of CEMEX as health and safety, customer centricity, recovering the investment grade and working as One CEMEX. Huge progress has been made on safety with the rate of accidents decreasing, although the number is increasing in Europe, which needs to be addressed as a top priority. More needs to be done regarding health and it's hoped that Europe will once again be a leader in health and safety. CEMEX Go is helping promote customer



Sergio Menendez

centricity and is now available in 21 countries with more than 35,000 customers using it. Regarding returning to the investment grade, while CEMEX isn't in financial distress, there is a lack of growth, but recovery is improving.

Divestment will continue with an aim to address achieving a more balanced portfolio and looking more at developed markets and expected investment in Europe and the UK to help with this. €200 million is being invested in Europe this year and this figure will be at least matched next year. It's also hoped that the debt will be brought down by \$3.5 billion to \$9 billion in 2020 to help achieve investment grade.

Plans to reduce CO2 emissions continue and once waste reduction regulations are implemented, it's hoped CEMEX can achieve levels of 70% reduction. Innovation will help sustainability targets, and this is an area that will be emphasised in future.

Over the next year, Spain and France are likely to see moderate growth, while Poland and Czech Republic will see growth at a smaller rate. A decline

is likely in the UK due to Brexit, but investment will return once there is more certainty. Germany and Croatia will likely see some recovery, although a decline is expected in Croatia next year. The aim is to grow more than the market through efficiencies with an aim to grow by 3-4%.

The main objective is to improve health and safety results in Europe along with improving customer satisfaction and CEMEX Go adoption. There have been positive aspects this year from the use of alternative fuels and CO2 reduction but ready mix is experiencing low margins and requires improved profitability through value-added products and greater efficiencies. Training also needs to be increased to ensure development as well as improved engagement. ♦

Business Performance Q&A

Jean-Serge Peret outlined issues regarding network stability and noted that being without network coverage for up to 3-4 weeks was an issue in all countries. Sergio Menendez explained that network availability is monitored but that any issues should be resolved immediately. Michel André urged teams to raise any issues with their management as well as himself or Rüdiger Kuhn. Jean-Serge Peret commented that the incidents are raised but are closed before a solution is found.

Muriel Peretti remarked that every year there are promises of investment but that the networks don't work, and the situation never changes. Sergio Menendez offered reassurance that the investments are real, but they may need to look at the situation again.

José Lafuente raised issues experienced in Spain regarding integrating plans and processing and asked what the consequences would be from selling another plant. Sergio Menendez responded that they hoped to not close plants, especially with sales picking up in Spain, but incentives are needed. They will attempt to keep exporting from some plants in Spain and there are no radical plans in place.

Jean-Serge Peret commented that Stronger CEMEX had created an impact at site level with the loss of many senior colleagues who then had to be re-employed on a short-term contract to help manage the resulting workload. Sergio Menendez acknowledged that it had been a difficult announcement and that there may be situations that they need to correct.

Responding to Jeffrey Sewell's query regarding the predicted 2% decline in the UK and how this would affect strategic planning, Sergio Menendez confirmed that while the drop is likely to be stronger in London, Manchester and Liverpool are performing well.

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Continued from page 6.

Muriel Peretti commented that Stronger CEMEX has generated a lot of stress for employees and struggled to understand how Sergio Menendez could claim it was working well. Sergio Menendez admitted that they need to review results compared to their expectations, but that overall it had been positive. Jean-Serge Peret suggested the effects had been positive at a higher level, but they have had a different experience. Rüdiger Kuhn commented a lot of uncertainty had been created by the overlap of the transformation and Project Monsun, but instead of focus on the chaos caused, they instead need to look at what needs to be done.

Uwe Pommer noted that they are still solving problems, particularly with procurement and that staff here need support. Michel André explained that they are now being more selective regarding the initiatives they focus on, which is reducing the workload.

Responding to Jean-Serge Peret's question regarding why the share price is so low, Sergio Menendez explained that this is because growth hasn't been as fast, and that stock is being undervalued. The valuation of the cement industry has reduced from a value of 10 times the earnings of the company to an average of 7, with CEMEX currently seeing a level of 6 times the earnings.

Konrad Meier commented that employees are under enormous pressure but don't have the courage to speak up. Sergio Menendez remarked that they need to acknowledge the problems employees are facing and ensure that they aren't afraid to raise any issues with management. Employees are free to contact Sergio Menendez directly, although he hoped they could contact their supervisor in the first instance. ♦

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SUPPLY CHAIN



Graham Russell

Graham Russell presented on supply chain. Dispatch systems are currently being upgraded and it is envisaged this will give a stronger foundation for the future. The aim is to keep the business as simple as possible by focusing on the 4 CEMEX priorities along with maintaining the values of pursuing excellence and acting with integrity.

There has been good performance regarding safety but there continue to be some incidents. Chocks will be used when a vehicle is stationary and the driver is out of the vehicle. The only exception to this is when the vehicle is parked on a weighbridge. Health campaigns are also being developed to be specifically focused on drivers.

Efficiencies are being achieved by looking at where products are made and reducing delivery distance. This approach will deliver around \$20 million in savings this year. Digital transformation is also helping to produce savings by allowing us to better anticipate and respond to customers' needs. ♦

Supply Chain

Q&A

Jeffery Sewell requested further clarity on when chocks would be used. Graham Russell explained that it would be in most situations when a driver is out of the vehicle, although they wouldn't be used on weighbridges.

Jean-Serge Peret asked if transporting to cement plants would be still handled by logistics. Graham Russell confirmed this would be controlled by the supply chain team.

Muriel Peretti remarked that there had been a number of collisions, particularly with concrete trucks, and that there had been difficulties recruiting drivers, and asked about the safety policy regarding drivers. Graham Russell stated that the shortage of drivers is an issue seen worldwide. Uwe Pommer added that they were experiencing issues in Germany regarding the induction tool being in the correct language. Javier Mota confirmed that that this is an ongoing project connected to the Rüdersdorf cement plant and they are creating a new programme that will ensure all training is standardised. ♦

Graham Russell presented on procurement, explaining that their processes are helping drive performance with a focus on Low Cost Country (LCC) sourcing, which this year has delivered \$12.5 million in savings (as of September 2019) and will save close to \$30 million between 2018 and the end of 2020. Globally LCC is expected to bring in savings of \$160 million over the next 3 years without any investment.

Through One CEMEX they are reducing the number of people who can buy in Europe, and from this week people outside procurement will be unable to raise orders over \$5,000. A move to Doosan mobile equipment is also bringing in significant savings this year. ♦

Procurement Q&A

Jean-Serge Peret asked if there are plans to close cement plants and if issues could be caused by Chinese suppliers taking up to 3 months to deliver. Graham Russell noted that there's a risk a plant might stop due to new suppliers but these risks exist with current suppliers too, but this is mitigated by the size of the savings being made.

Jean-Serge Peret questioned why the procurement threshold was put at \$5,000 and wondered why a system that is described as frustrating has been introduced. Graham Russell responded that very end user purchase orders with a value of more than \$5,000 are raised, and that the idea is to move this figure down over time so all purchasing sits with procurement.

Muriel Peretti wondered how procurement of LCC material would work in terms of maintenance. Graham Russell confirmed that Doosan mobile equipments is being introduced in plants where there is a local service provider.

Regarding a comment from Jean-Serge Peret about staff having to revert back to using different machinery again, Graham Russell offered reassurance that all equipment has to comply with CEMEX standards and goes through in-field testing with those working in the operations. Graham Russell added that Doosan weren't the cheapest option but that there were the lowest cost option that complied with the needs of the operations and CEMEX's internal safety requirements.

Rüdiger Kuhn commented that if larger parts of Doosan models are missing then it could take 3-4 weeks to ship them from South Korea and result in delays. Graham confirmed that the operations team shouldn't experience anything different to what they had with Volvo and Caterpillar.

Konrad Meier wondered if additional costs related to essential spare parts would be included in the procurement plan. Graham Russell confirmed that they would be and reiterated the importance of the scale of savings being made. ♦



Pascal Williate - Muriel Peretti - Jose Lafuente - Manuel Molina - Uwe Pommer - Konrad Meier

Derek O'Donnell presented on human resources. Derek O'Donnell thanked representatives for their support regarding Stronger CEMEX and noted that it had been a difficult time for the company, but it had helped deliver \$20 million of savings this year.

In light of the discussion the day before, Derek O'Donnell summarised some of the employee health activities, including employee health checks, the mental health scheme in the UK, visual health in Spain and an oncology programme in Poland. There has been a move to offer more to employees over the last 5 years but more still needs to be done.



Derek O'Donnell

The employee engagement survey will be open from mid-October, and while the split is generally 65% online, 35% on paper, Poland and Croatia will trial being 100% online to see if this encourages completion. Derek O'Donnell urged all representatives to make themselves familiar with the new ethics document and stressed that it is an extremely important part of working at CEMEX and forms part of their contract. Employees also need to be made aware of the hazard reporting available, with data currently showing that 50% are being submitted anonymously.

Derek O'Donnell presented current training opportunities within the company, explaining that on average an employee receives 3 training points per year. Connect and Ignite are aiding young and future leaders within the organisation, and there is a focus on health and safety, supply chain and commercial within the academies. Talent diversity is also being promoted through a new PiD programme with 10-12 positions for young professionals

to train over the course of a year within the company. ♦

Human Resources

Q&A

Jean-Serge Peret asked if statistics were available regarding those who decided to leave as a result of Stronger CEMEX. Derek O'Donnell explained that he didn't have these figures but that the 28 who left were presented with a generous social plan. Ion-Mihai Barascu added that it would be difficult to source these figures but that he would attempt to make it available for Jean-Serge Peret and Derek O'Donnell.

Manuel Molina commented that they have been asked to spread HR ideas but felt that this needs to go both ways as people are feeling disconnected. Derek O'Donnell thanked Manuel Molina for his comment and agreed that they need to work together.

José Lafuente suggested that the intentions of new initiatives are good, but implementation is poor, and wondered if they are offering employees a healthy working environment with the correct PPE. The ethics code also needs to be discussed, negotiated and understood before employees consider it. Derek O'Donnell confirmed that they are looking at PPE and will be learning lessons from Spain and ensuring the right equipment is available across the whole region. Ethos training is being introduced with 1,000 undertaking it this year, and it is hoped this will assist in people's understanding of and agreeing to it. Derek O'Donnell suggested that José Lafuente speak to Pilar Ruiz-Castresna on how they improve this cultural issue and help it become more effective.

Marzena Stanirowska commented that they have an issue with emissions from an oven in Rudniki and asked what sort of tests are being carried out. Javier Mota confirmed that he would look into this further and respond to Marzena Stanirowska via Melanie Riedel.

Bogumila Halas asked about periodic health checks and asked if chest x-rays could be offered more regularly. Derek O'Donnell stated that he would ask Iwona Wojtasik to contact Halas about this. Javier Mota added that their health checks are controlled by administration but that he would look into this further.

Responding to a remark made by José Lafuente that the meeting was showing they need a global policy on health, Javier Mota confirmed that they are trying to standardise the best health practices across Europe. Konrad Meier commented on rumours that there are differences between the online and paper versions of the employee engagement survey.

Derek O'Donnell confirmed that they are identical.

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Muriel Peretti noted that there is a shortage of staff within the HR department in France, which was being helped by students, although this will no longer be the case due to them not being qualified enough. There are also issues with the payroll going through SAP and Muriel Peretti wondered if it would be possible to invest in payroll software. Pilar Ruiz-Castresna admitted that they possibly need to improve the situation with SAP. Regarding interns, Derek O'Donnell suggested that if it's felt there is a need for their support then managers should be aware of this. In response to a comment from Muriel Peretti regarding a taskforce to assist with people's mental health issues, Derek O'Donnell referred to the scheme in the UK and suggested that he speak to Ion-Mihai Barascu and Stephanie Horn to see if this can be replicated in other countries. To which Ion-Mihai Barascu confirmed they are already preparing this for France. Jean-Serge Peret asked if any changes would be made to HR and the BSO. Derek O'Donnell confirmed that the BSO is under review and that they will be looking at HR, and while there is no direct plan, there will be reorganising. ♦

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DIGITAL TRANSFORMATION



Marcelo Catala

Marcelo Catala presented on digital transformation and focused on the changes that are taking place, particularly through technology. This transformation is a fundamental response to how the industry is changing and is only like to increase. There are 2 areas of focus, operational efficiency and customer experience, with the companies prioritising customer experience currently winning.

CEMEX Go is helping deliver a superior experience to customers while CEMEX Ventures is aiming to look at what CEMEX can do beyond their normal day-to-day activities. Investment has been announced in 10 companies and it is hoped that this will enable the company to enter new territories. Europe is now the leading region in onboarding customers for CEMEX Go over the last year with adoption at 50% of customers. Not only does this assist customers but also provides the company with additional data and can allow failures to be addressed promptly. A video was presented to representatives on the future of CEMEX Go, and it is hoped the mobile app will continue to develop.

The most important transformation is cultural, and by being more agile, we can embrace the opportunities and transform interactions. There is a move to working more collaboratively, which is being assisted by Change Agents who help promote CEMEX Go by working in teams to bring new capabilities and solutions. ♦

Digital transformation Q&A

Uwe Pommer commented that before the CRM can be introduced, negotiations will need to take place at the works council. Marcelo Catala acknowledged this with Derek O'Donnell confirming that they would ensure it was launched correctly.

Jeffrey Sewell suggested that colleagues onboarded people for CEMEX GO who now have no intentions of using it and asked if these people could be removed. Marcelo Catala noted that they have identified 1,400 customers who aren't suitable and they are working to clear the base, but they also need to focus on the fact that 50% of the orders generated through CEMEX Go are driven by the top 10 salespeople and they therefore need to address what is blocking people from feeling it could enhance the customer proposition.

José Lafuente remarked that digital transformation is leaving some people behind and they need to moderate their usage of digital systems. Marcelo Catala reassured representatives that while digital transformation is necessary, they want to maintain the same values and human understanding that has led their work offline. ♦

Joaquin Pallas presented on investments, reporting that strategic investments have been increasing since 2016 with 2019 seeing double the investments made in 2018. Investments are divided into 2 categories, platform, which focuses on keeping assets running, and strategic, which focuses on encouraging growth. Joaquin Pallas presented recent investment activities across the region before looking at the 4 divestments that had taken place this year. While divestment isn't an easy decision, it was adding value in economic terms and therefore allowing additional investment in the region. ♦

Investment Q&A

Uwe Pommer asked how much CEMEX took as a result of the 4 divestments in Europe. Joaquin Pallas estimated that \$386 million was received for Latvia, \$86 million for Germany, around \$30 million for France and \$180-185 million for Spain.

Jean-Serge Peret questioned if there were plans for additional divestments in Europe.

Joaquin Pallas suggested that this would depend on the offers received. Derek O'Donnell added that Fernando González had suggested that the only current available way to access money to invest was through divestment so further divestments are likely. Marcelo Catala reiterated Sergio Menendez's comment that the focus is on redressing the balance between developed and developing markets and therefore further investment in Europe as a developed market is to be expected. Responding to a query from Mladen Radic regarding Croatia and if they are likely to be sold, Joaquin Pallas

commented that they had only found one natural buyer, but this hadn't succeeded, and that Croatia is now in their plans for improvement. Derek O'Donnell remarked that while divestments are likely, the majority of investments will be coming to Europe and the US..

Graham Osman asked about related business in the UK and whether it would be rolled out across Europe. Marcelo Catala confirmed that there are investments in the pipeline, and they are exploring opportunities to replace the Birmingham plant along with new siloes in Braintree, as well as more opportunities in Spain and Poland. ♦

Izabella Rokicka presented on corporate social responsibility, explaining that they have introduced internal and external CRS committees and dialogue with stakeholders, have developed engagement plans and developed a global volunteer programme.

The global volunteer programme will be known as Unite and will help promote volunteer actions across the organisation with a tool where ideas and programmes can be inputted and will help CEMEX measure the impact of these activities. A communications campaign will be launched in November to engage employees in submitting ideas and projects, which will then be collated to help prepare a budget ready for the programme to launch in Q1 2020.

Community plans will fall under 4 pillars, (1) education and development of capabilities, (2) sustainable and resilient infrastructure and mobility, (3) social and environmental entrepreneurship, and (4) environmental protection and health. The focus will be on clear and simple communication internally as well as promoting the work to an external audience with a view to protect the company and its reputation. ♦

Jean-Serge Peret noted that he asked for information at the previous meeting regarding the actions in place as a result of the donations received in response to natural disasters. Izabella Rokicka stated that she had not received a report regarding their donations and confirmed that she would ask again. Jean-Serge Peret asked if they had checked the LCCs and their CSR policies and whether bringing materials from China to France would affect their carbon neutrality. Izabella Rokicka confirmed that Graham Russell has visited the companies in China and that they look to have good human rights and working conditions. Andrew Spencer added that they are not dealing with companies that people traditionally associate with China and issues of exploitation, and that it would be wrong to presume that LCC manufacturing is less technical and rigorous as it is in Europe. Regarding carbon emissions, most goods consumed in Western Europe are manufactured in China and it is therefore having no material impact on their carbon footprint. ♦

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ANY OTHER BUSINESS

Muriel Peretti remarked that she was surprised to not see the BSO and IT covered on the agenda and felt it would be beneficial to have a BSO representative present next year to discuss these topics. Derek O'Donnell agreed and confirmed that this would be discussed with Jean-Serge Peret and the workers' council when the agenda is agreed for next year.

Derek O'Donnell noted that he was awaiting a report from IT colleagues regarding network availability and that he has asked Daniel Escudero to contact Jean-Serge Peret directly to assist with any issues.

Marzena Stanirowska reported issues with IT and issues not being resolved, to which Derek O'Donnell suggested that they escalate any issues with BSO representatives regarding not receiving the contracted provision of service.

Miloslav Plachy commented that there had been rumours in the Czech Republic that CEMEX would be taking part in the construction of electric power pylons. Andrew Spencer provided clarification and explained that this is referring to the Energy Vault, which looks at concrete blocks releasing energy back into the electricity grid at night when renewable sources aren't available.

Jean-Serge Peret commented on the excellent quality of the interactions but felt more time needed to be given to the Q&A sessions. Thanks were extended to the interpreters as well as the staff who had helped organise the meeting.

Derek O'Donnell thanked those present and closed the meeting. ♦



Ion-Mihai Barascu



Izabella Rokicka



Joaquin Pallas

Presenters, Guests and Employer Representatives

Sergio Menendez	Regional President, Europe
Michel André	VP Materials West Europe Region
Rüdiger Kuhn	President Cemex Germany & Central Europe
Derek O'Donnell	VP Human Resources Europe
Melanie Riedel	Legal Assistant & ECC Coordinator
Izabella Rokicka	Director, Communication & CSR Europe
Stephanie Horn	HR Director UK
Javier Mota	Health & Safety Director, Europe
Joaquin Pallas	Business Development & Strategic Planning Director Europe
Pilar Ruiz-Castresana	C&B Director, Europe
Andrew Spencer	Sustainability Director Europe
Ion-Mihai Barascu	HR Director, France
Marcelo Catala	VP Related Business Marketing & Customer Experience Europe

Employee Representatives

Croatia:
Mladen Radic

Czechia:
Miloslav Plachy
Petr Votava

France:
Jean-Serge Peret
Muriel Peretti
Pascal Williate

Germany:
Konrad Meier
Uwe Pommer

Poland:
Bogumiła Hałas
Marzena Stanirowska

Spain:
José Lafuente Casas
Manuel Molina

United Kingdom:
Andrew Raeburn
Jeffrey Sewell
Paul Whyte
Graham Osman



Graham Osman - Jeffrey Sewell - Andrew Raeburn - Paul Whyte - Mladen Radic



Marzena Stanirowska - Bogumiła Hałas



Miloslav Plachy - Petr Votava



Jose Lafuente - Manuel Molina



Pascal Williate - Muriel Peretti