



UK NEWS



Welcome to UK News 31st March 2022
your weekly update from around CEMEX UK

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HEALTH & SAFETY

Going FORS Gold



CEMEX UK has once again been awarded the Gold FORS Award for its fleet management. Congratulations to everyone involved and special thanks to Hugh Reynolds, Supply Chain Compliance Officer, for leading the accreditation process.

The Fleet Operator Recognition Scheme (FORS) is a voluntary accreditation scheme for fleet operators which aims to raise the level of quality within fleet operations, and to demonstrate which operators are achieving exemplary levels of best practice in safety, efficiency, and environmental protection.

Gold accreditation is only awarded to exceptional operators who have met exacting targets.

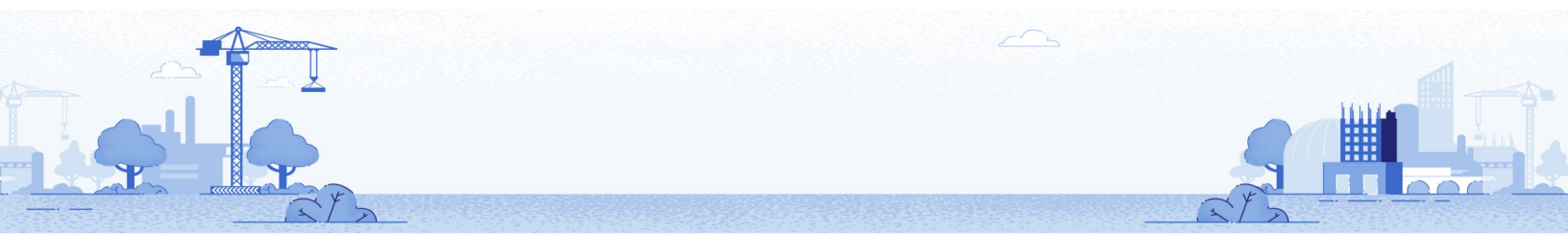
Congratulations Philippa – a Fantastic Achievement



A huge congratulations to CEMEX UK's Senior Operations & Development Geologist, Philippa O'Leary, who was named as joint winner of the Young Leader prize in 2021's MPA Health & Safety Awards. Philippa received her award on 17th March and you can watch a short video as she talks to MPA CEO, Nigel Jackson, about her win [here](#).

Colleagues said Philippa was instrumental in guiding them through health and safety protocols during the pandemic and has continued to raise the bar on health, safety and environmental standards. Congratulations Philippa!

To find out how you can enter the MPA Health & Safety Awards in 2022 visit: <https://lnkd.in/dqH4Zi5V>





CUSTOMER CENTRICITY

Another Happy Customer



Joe Booth Transport were delighted by their deliveries of free-flowing screed supplied by CEMEX UK last week in Doncaster, and this week in Scunthorpe.

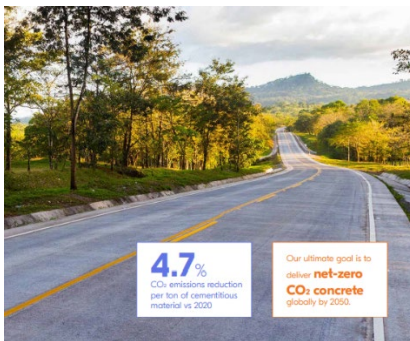
They commented: "Again, great service from CEMEX UK. It was delivered expertly and on time once again. A fantastic product and another very happy customer."

Well done to the team involved!



PROFITABILITY

CEMEX Posts Record Operational and Climate Action Achievements in 2021



CEMEX has presented its 2021 Integrated Report: "Building a Better Future," which includes a comprehensive analysis of CEMEX's strategic vision, operational performance, corporate governance, and value creation.

The report highlights the company's essential value of its industrial activity, its climate action strategy, its commitment to innovation in the industry and unlocking new opportunities, and its focus on employee safety and wellbeing.

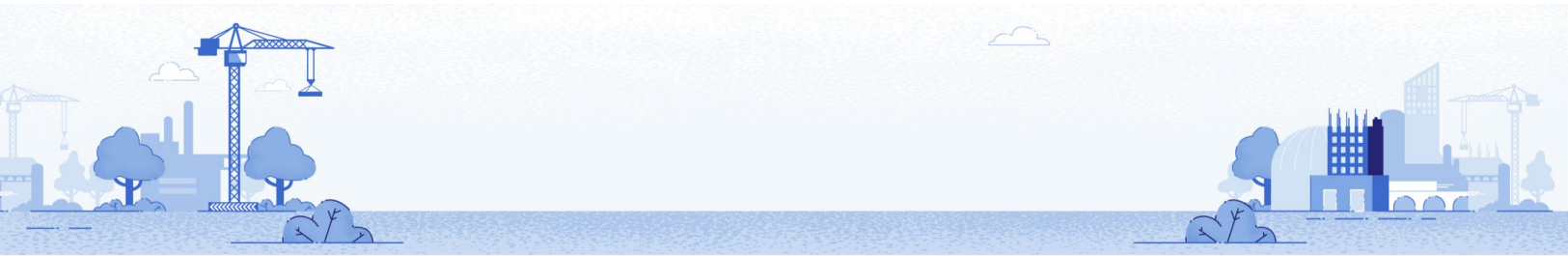
"Despite another year full of unique challenges, 2021 was certainly transformative for the company.

The extraordinary results we achieved are a testament to the growth potential of our markets, our focus on customer experience, and, most importantly, the dedication and commitment of our people," said Fernando A. González, CEO of CEMEX. "Sustainability remains one of our top priorities. The roadmap underpinning our climate action strategy, Future in Action, gives us the confidence that we can achieve our very ambitious targets and aspirations. Our performance in 2021 is evidence of that."

Among the main accomplishments presented in CEMEX's 2021 Integrated Report are:

Financial:

- Net sales grew 14% to US\$14.5 billion.
- EBITDA improved 18% to US\$2.9 billion, the largest increase in a decade.



- Achieved leverage below 3 times in 2021.

Climate Action:

- Recorded the largest CO2 reduction in a year: a 4.7% decrease of CO2 per ton of cementitious material.
- Achieved highest consumption level of alternative fuels, at 29.2%, producing US\$200 million in savings versus using fossil fuels.
- Reduced clinker factor to 75.2%, its lowest level in 10 years.
- First in the market to roll out globally its family of low-carbon products, Vertua, which build on the company's existing base of sustainable products and solutions.
- Established aggressive 2030 climate action goals which align with the industry's most ambitious pathway (well below 2°C scenario), validated by the Science-Based Target Initiative (SBTi).
- Joined the United Nations' "Race to Zero" campaign and the Business Ambition for 1.5°C Coalition, which reaffirms the company's commitment to delivering net-zero CO2 concrete by 2050.
- Founding membership in the First Movers Coalition, the World Economic Forum initiative to create market demand for zero-carbon solutions.

Sustainability & Circular Economy:

- Managed 57 times the waste that CEMEX sent to landfills in 2021.
- Executed its Social Impact strategy in the communities in which the company operates that positively impacted more than 25 million people on an accumulated basis.
- Processed approximately 61% of sales through CEMEX Go, the company's global digital platform.
- Achieved, for the second consecutive year, the highest annual global Net Promoter Score of 68, substantially above the average for the construction and engineering industry.

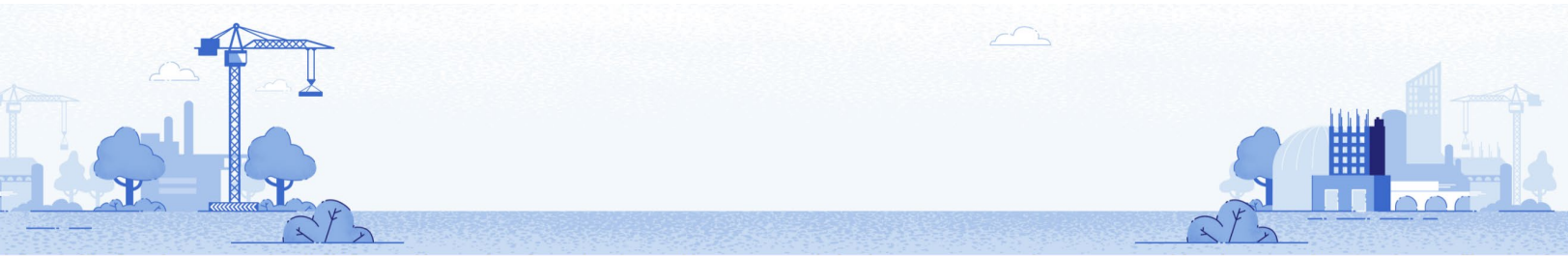
CEMEX's 2021 Integrated Report includes an external verification report carried out by KPMG and was prepared following the Global Reporting Initiative (GRI) standards, the Sustainability Accounting Standard Board (SASB) standards, and the guidelines established by the Task Force on ClimateRelated Financial Disclosures (TCFD).

To learn more about CEMEX's 2021 Integrated Report, please visit:

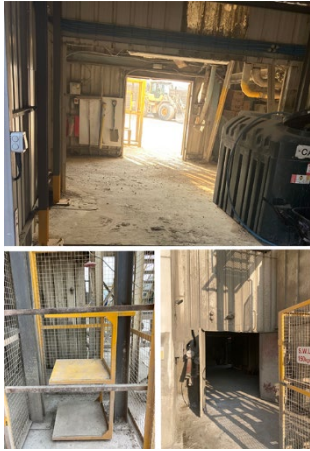
www.cemex.com/IntegratedReport2021

For more information on the company's Future in Action program, please visit:

www.cemex.com/sustainability/future-in-action



Sheffield Readymix Fibre and Admixture Storage Improvements



Our very busy Readymix plant in Sheffield has recently undergone an upgrade to improve its storage facilities. Previously there was a lack of water-tight storage available which often resulted in fibres becoming wet and unusable.



Last year the site installed a mechanical hoist to lift the fibres up to mixer deck level to reduce manual handling, however, the route for the Plant Manager to reach the lift required a long walk around the front of the plant, including crossing the loading area.

As part of this new upgrade Operations Manager, Gordon Renshaw, came up with the idea of cutting a new walking route directly from a new storage area directly to the lift. You can see the lift from the doorway of the storage shelter in the main photo. It is now just a few steps, which has significantly reduced the requirement for manual handling, and the risk of a slip/trip/fall injury.

Thanks to Gordon and his team, and to our contractors, Ormston Fabrication, for safely completing the upgrade.

This upgrade forms part of a wider fibre storage and handling project which is a collaboration between Readymix Operations and the Operational Excellence team. More information can be found in the Fibre Good Practice Guide here - [Readymix Fibres - Good Practice Guide- UK \(office.com\)](https://www.office.com/ReadymixFibres-GoodPracticeGuide)



FUTURE IN ACTION

Launch of the New Sustainability Academy



CEMEX University have recently launched their new **Sustainability Academy**.

This Academy will help us:

- Establish a common understanding on our Sustainability Model and its elements Environmental,

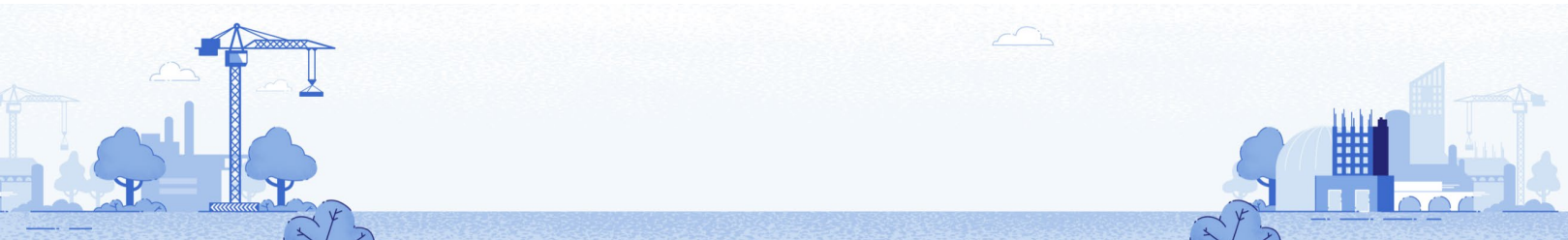
Social and Governance.

- Articulate the link between the United Nations Sustainable Development Goals (UN SDGs) and our actions in support of a better future for society.
- Inspire you to connect your everyday activities with these goals and actions, to take this commitment to an individual level.



You will soon receive an invitation to participate in the first learning program of this Sustainability Academy, focused on our **Future in Action** strategy and our **Net Zero CO2 emissions** ambition.

Throughout this year, more learning resources will become available related to Future in Action, as well as other elements of our Sustainability Model and SDGs.



Please take the time to learn more about Sustainability. Each one of us can make a difference.

Woody Woodpecker Stops by at Salford



After putting some bird feeders up at the Salford Asphalt plant, the team have enjoyed visits from a wide variety of birds, including a Woodpecker!

The Woodpecker seems to be a local resident and is visiting the feeders most days.

Phil Repton, Plant Manager, commented: "Installing bird feeders is such a simple thing to do and has had a very positive impact for the local birdlife.

The feeders are located by the canteen so we can watch the birds enjoying their lunch as we do ourselves – we've spotted all sorts of birds;

Blue Tits, Robins and now our star guest – the Woodpecker! This is even more impressive when you consider our town centre location.

The team have even been buying the birdseed with their own money to keep our feather friends happy."

It's a Win for Local Youth Teams



The CEMEX Foundation was delighted to sponsor a local children's football club in Coventry. The club provides football activities in a safe and positive environment for children aged between 5 and 17, completely free of charge.

Maninder Lully (Mani) works in CEMEX's payroll team and first got involved in the football club, GNP Sports, in 2019 when his son Ryan joined. As a volunteer, Mani first started helping with admin and now manages the GNP's under 9s Pumas (see photo) as well as being the club's Development Officer.

Mani's hours of volunteering work has helped the club develop and last year expanded it's Junior U7s teams, introducing a girls team for the first time. To celebrate the girls and boys teams Mani was keen to find a local sponsor and reached out to the CEMEX Foundation who was delighted to donate.

CEMEX values the importance of supporting local initiatives to promote the discipline, teamwork and respect values that children and young people develop with sports.

Mani and the club were thrilled with the donation: "We were so grateful to CEMEX for donating sponsorship towards our team's new kit, training equipment and tracksuits for the new girl's team. The children were so happy – thank you CEMEX!"



Continuing our Support for Ukrainian Refugees



As the situation in Ukraine enters its second month, the humanitarian crisis deepens with mounting military and civilian casualties and over 3 million on the move to escape the violence.

Many of these refugees are arriving in Poland, the Czech Republic, and Germany, where our teams have generously participated in relief efforts by providing shelter, supplies and support.

As part of our humanitarian aid response, CEMEX have launched a [global fundraising campaign](#), matching employee donations to the UN Refugee Agency (UNHCR) to support humanitarian relief efforts for the people of Ukraine. The global match fund has received support from over 400 colleagues participating, and it currently stands at

nearly \$90k including CEMEX's contribution.

To support refugee families affected by the Ukrainian conflict: [Donate here](#)

Your contribution will provide support in these times of need, for example:

- 62.85 USD can provide basic and emergency healthcare services to four refugees
- 100.55 USD can help a refugee child go back to school after war and displacement
- 201.99 USD can help provide shelter for a displaced family
- 660.84 USD can help provide six displaced families with the essentials that they need to survive

CEMEX will match employees' donations. Funds raised will support humanitarian aid through the [UN Refugee Agency](#).

If you want to extend this cause to your customers, business partners, family, and friends click [here](#).

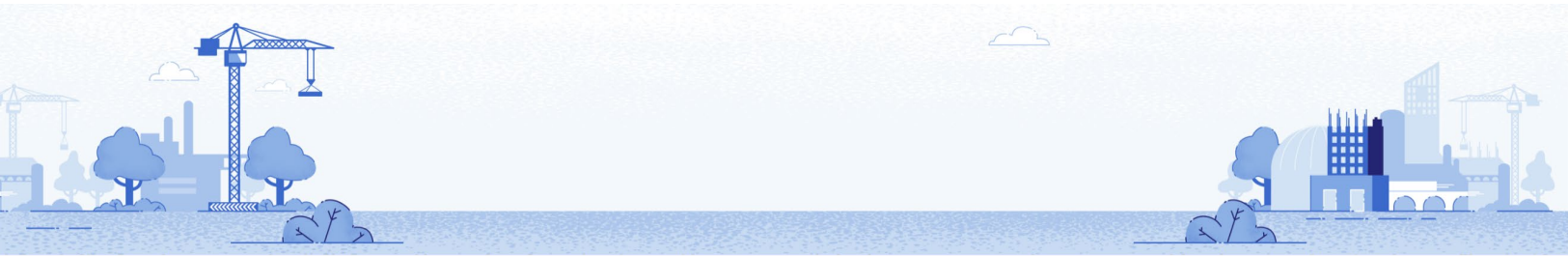
Employee Offer at Macready Theatre



Macready Theatre, one of our charity partners, is pleased to offer a special discount for all CEMEX employees. Get tickets for an upcoming show at the theatre, WOLF, for just £5. The performance takes place TOMORROW (Friday 1st April) at 8pm, held at the Macready Theatre in Rugby.

Use the promo code CEMEXTHEATRE to get the £5 tickets! This offer can also be used by your friends and family.

WOLF is the first instalment of 'The Beast Trilogy' and started its life as a thirty minute work in progress at VAULT Festival, London. Armed with just a chair, Lewis Doherty mimes every prop, makes every sound effect and brings to life over thirty characters in this cyberpunk, neon-noir, one-man action-packed blockbuster movie! It has become a critically acclaimed and award-winning show, touring to venues and festivals such as SOHO Theatre, Nottingham Playhouse, Salisbury Playhouse, Birmingham REP, The North Wall Arts Centre, Exeter Phoenix, The Edinburgh Fringe Festival, and Latitude Festival.



Further details of the show can be found here: <https://macreadytheatre.co.uk/beasthouse-wolf/>



EMPLOYEES

REMINDER: Participate Now: Q1 2022 eNPS Pulse Survey

participate now!
EMEA
Q1'22 eNPS Pulse Survey



Please look out for the Q1 2022 survey email from our provider Perceptyx (customers@perceptyx.com), which was launched Wednesday 30th March.

Be sure to complete it and let your opinion count.

You can also use the URL address below and QR code on the poster. Simply use your employee number to access it via these routes.

https://ondemand.perceptyx.com/odcemenpssurveyq1emea/dc/?ask_pin=1

Completing the survey is quick and easy. This is a chance to voice your thoughts and feelings about working for CEMEX, to see positive changes in our workplace.

Here at CEMEX we want everyone to feel that it's a great place to work. So each quarter we track how everyone feels about working here, with our Employee Net Promoter Score (eNPS) pulse surveys. Last year more than 40 actions aligned to our 5 Regional Key Drivers of Engagement were implemented in EMEA, thanks to your active participation in the 2021 eNPS Pulse Surveys.

Your participation is important and valued by our UK management team. It is our way of measuring Workforce Experience and how likely we all are to recommend CEMEX as a great place to work.

The poster can be found in at the end of this document and in the download section of the UK News website: www.cemexuknews.co.uk/downloads

Note: this time around the survey audience is those with CEMEX email addresses only.

SAP Goes Live Today!



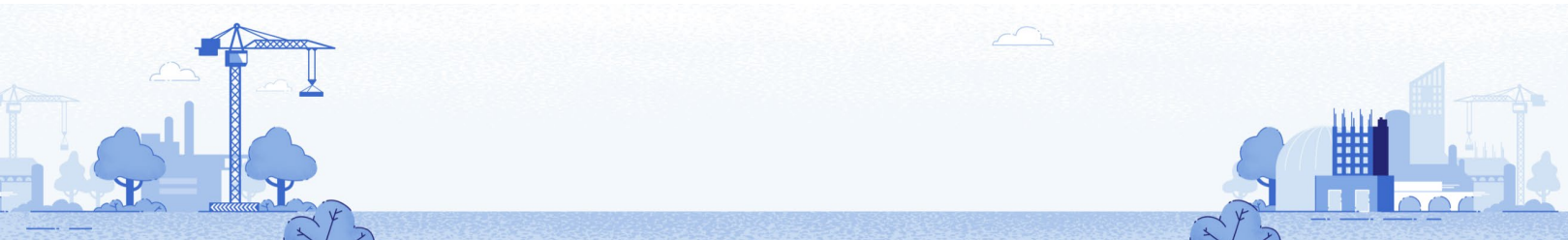
We are pleased to inform you that the new System (SAP SRP) is ready and 'Go Live' is confirmed from **1st April**.

Where we are now?

For the past months we have been configuring and testing the new SRP system. We are now in the final phase which includes training, awareness, and data entry in the new system. Many of you are already involved and we thank you for your support.

How do I log into the new system?

The option for SRP should appear automatically in your logon pad before 1st April, so unless you need access before this time, or are instructed otherwise, you do not need to do anything.



What do you need to do if you find an error with the new system?

Please create a service request through the GSC in the normal way. Be sure to state that the issue relates to UK SAP SRP and provide your business or functional area - this will then be passed to our Project Team for resolution. If the issue is critical – please also contact your supervisor.

We would like to thank all of you for your continued support during this project!

Double Celebrations for Darren



Congratulations to Swinderby Driver, Darren Carlton, on completing 15 years service – an amazing achievement.

Darren's Line Manager, Ian Phoenix, Logistics Manager, commented: "A big well done to Darren who has a double celebration after recently passing his Articulated LGV test.

Thanks for all your hard work!"

Final Reminder | Change to Invoice Payment Process



We would like to ask any employees that have not already done so, to ensure they speak to any suppliers they use about the upcoming changes to the invoice payment process.

As previously communicated, from 1st April 2022 new email addresses will need to be used for invoices and other messages.

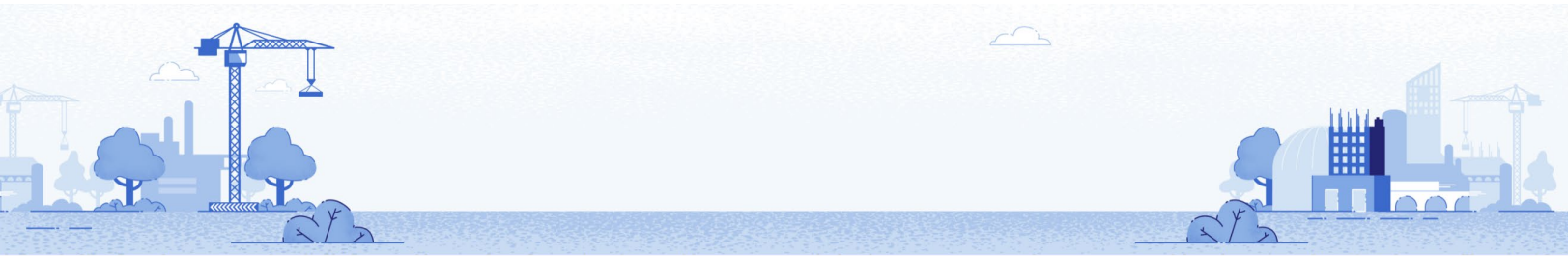
It is important that suppliers are aware of this to ensure their invoices can be paid in a timely fashion.

From 1st April, the email address for suppliers to send their invoices to will be:

Uk.supplierinvoices@cemex.com

Additionally, the email address for them to send other documents such as letters and statements will be: Uk.supplierotherdocuments@cemex.com

Thank you for your support.



Thanks For Your Effort - Winners



Congratulations to February 2022's Thanks For Your Effort Winners – Matt Johnson (Newport Plant Manager) and Chris Key (Relief Plant Manager) from Materials Wales & West Readymix for their commitment and great teamwork to keeping all customers supplied during a very productive 48 hours for Newport plant.

During a staff shortage and with Cardiff's regular Plant Manager off on leave, Matt and Chris, along with Operations Manager, Paul Nicholson, came up with a plan to complete a very hectic 48 hour workload whilst keeping within their legal working hours.

Matt opened Newport at 5.30am on Tuesday to load the screed and batch all day, whilst Relief Manager, Chris, batched Cardiff plant all day. Chris then came into Newport at 10.00pm that night for three hours to batch two loads of Promptis for a nightwork pour to LMS Highways.

Matt came back into Newport at 5.30am the following morning as the plant had another early start for a 300m³ day including six loads of screed, four loads of longfloor and a 260m³ Amodeo pour. Matt was assisted by Jamie Blair who had travelled down from Worcester for the day to man the shovel.

Chris then came in to finish off the Amodeo pour having batched Cardiff plant all day to allow Matt to have a rest before another LMS night shift that evening. Chris then returned to Newport at 5.30am on Thursday to load the screed and allow Matt to rest before returning to work around 9.00am.

Great teamwork from all involved and a huge effort from Matt and Chris to keep all customers satisfied and complete a very productive 48 hours for Newport plant.

Rob Sims, General Manager, thanked all the team for their efforts.

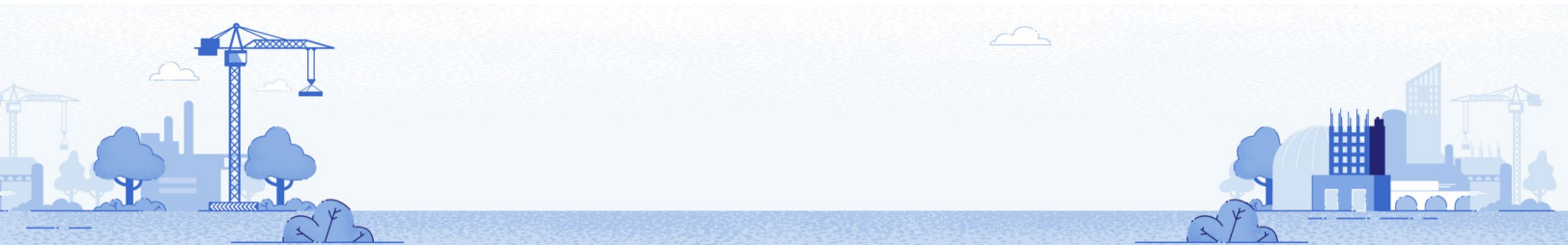
Thanks For Your Effort - Nominees



More thanks go to our fantastic colleagues nominated for an award for showing exceptional dedication and going above and beyond their day jobs. They are:

Sharron Lomas – Weighbridge Manager, Neil Adams – National Weighbridge Systems Supervisor, Mike Roe – Logistics Manager, and Rob Brian – Planning and CS Manager

Sharron, Rob, Neil and Mike were nominated for their leadership, teamwork and determination with the deployment of the Fast Track loading system at Dove Holes. The automated system reduces vehicle turnaround and improves customer service but has required close coordination across Supply Chain and aggregates to ensure all the Drivers, Hauliers, Planning and Weighbridge staff are working together to maximise its usage. Through their commitment, working closely together as ONE CEMEX, they have now exceeded 1 million tonnes across the fast track system which is a truly remarkable achievement. This reflects >30% of the outbound road volume from CEMEX's UK biggest quarry has been dispatched via the Fast Track system.



The amazing resilience and collaboration shown by Sharron, Neil, Mike and Rob throughout demonstrates them focusing on customer service, working as ONE CEMEX and engaging with their teams, drivers and hauliers to use the system.

A huge thank you to them all for their pursuit of excellence.

Louise Carter – Planner

Louise was made a permanent employee in November 2021 after a temporary assignment and has displayed exceptional customer service skills, integrity in establishing realistic customer expectations combined with superb teamwork culminating in the feedback below from a CEMEX Asphalt Commercial Representative and external customer.

“Just dropping you a quick line..... I had a meeting with EC Surfacing on Friday last week, they just wanted to pass on their thanks and gratitude to Louise for doing a brilliant job with their deliveries and customer service. They highlighted the following key points – they feel Louise goes above and beyond with every order. Communication has improved massively (so much so if she ever leaves us, they’d love her to work for them). She is consistent and reliable and a real pleasure to work with and most importantly she is completely realistic with setting their expectations. Please pass on a huge thank you to Louise, feedback like this is only set to improve the already fantastic relationship.”

A huge congratulations to Louise for caring so much about our customers.

Matt Baker – Transport Administrator – Cement

Matt has been assisting the Strategic Haulage team with the rollout of many key initiatives since the turn of the year and has proved himself to be a real asset to the team. Amongst other things Matt has taken all the administration and rollout duties of the new The Driver Handbook app which has been implemented. This interactive app provides the logistics driver fleet with access to all SSOWs, Risk Assessments, Policies & Procedures as well as communicates key safety briefings to the driver workforce direct to their tablets. The transferring of all the information from word documents into interactive content on the app is no mean feat and Matt has done an excellent job in pulling all this together in addition to supporting the training and implementation of the app.

Well done Matt, this is a fantastic Health & Safety initiative.

Recent ECC Communique Available Now

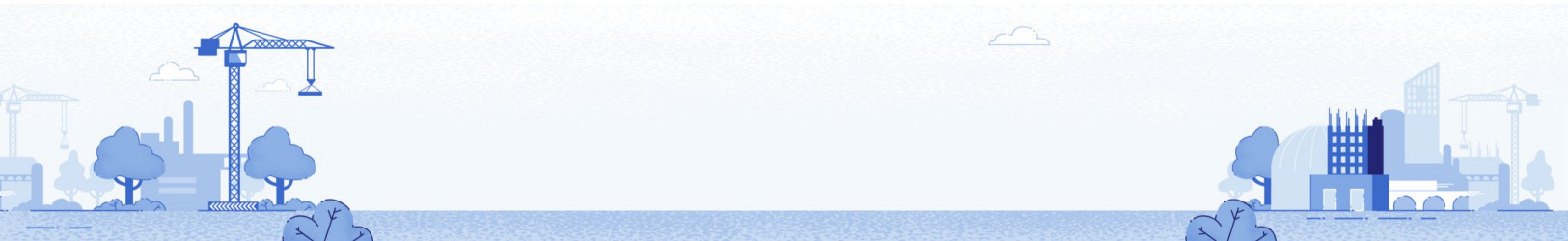


EUROPEAN CONSULTATIVE COMMITTEE
14-15 SEPTEMBER 2021
Virtual meeting due to COVID-19



The European Consultative Committee was held online on 14th and 15th September 2021.

Opened by Derek O'Donnell, VP for Human Resources EMEA, 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, Customer Experience, Sustainability and CSR, Growth, Business Performance, Human Resources, and Working Smarter.



A copy of the Communique which is produced after each ECC meeting can be found at the end of this document and in the download section of the UK News website: 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
109-03-2022	Sales Agent	UK Materials (Readymix)	Rugby	05/04/2022
110-03-2022	Cash Sales Agent	UK Materials	Rugby	05/04/2022
111-03-2022	Internal Sales Executive	UK Materials (PSB)	Rugby	05/04/2022
112-03-2022	Statutory Reporting Specialist	GES	UK	05/04/2022
113-03-2022	Bulk Cement Tanker Driver	Supply Chain	Rugby	07/04/2022
114-03-2022	Negotiator	Procurement	UK	07/04/2022

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.

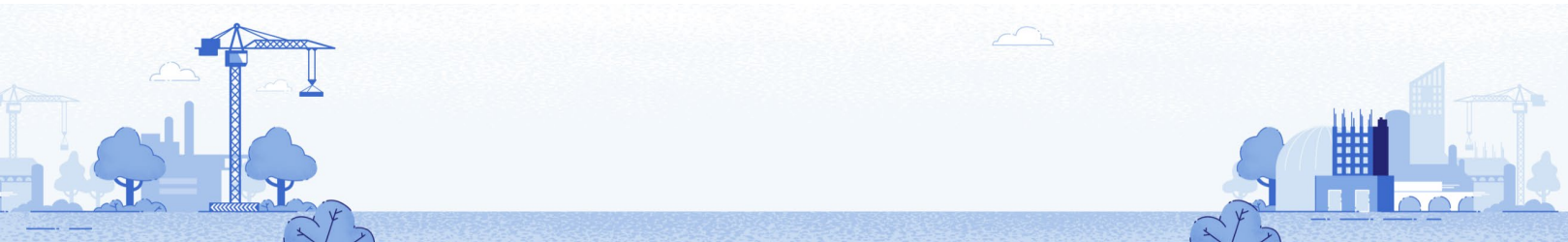
Employee Assistance Programme

Free, confidential support and counselling available for all employees

If you're worried about a work, family or personal issue then the Employee Assistance Programme can help, 24/7.

Support with everything from consumer rights to bereavement, depression & anxiety to childcare.

Visit www.lifestyle-support.co.uk (username: cemex / password: cemex) or call **0808 1682143**



participate now!



EMEA Q1'22 eNPS Pulse Survey

ONE QUESTION – ON A SCALE FROM 0-10

How likely are you to recommend CEMEX as a good place to work to family or friends?

eNPS Calculation Formula

Employee Net Promoter Score = % of Promoters (9-10) minus % of Detractors (0-6)



☐ **9-10: Promoters,** extremely loyal employees to the organisation, and talk positively about the business



☐ **7-8: Passives,** employees who are neither emotionally invested nor disengaged



☐ **0-6: Detractors,** employees who are highly dissatisfied with the organisation and offer negative word of mouth

Why are we tracking our employee Net Promoter Score (eNPS) quarterly?

We want CEMEX to be a great place to work – so we're tracking quarterly how everyone feels about working here

What were our eNPS results in 2021?

We achieved positive average 2021 eNPS in our Region: **+28** vs +20 in 2020. It is also true that our eNPS results were lower in the Q3'21 Pulse: +17 vs +32 in Q2'21. We want to resume our positive eNPS trend in EMEA in 2022

More than 40 actions aligned to our 5 Key Drivers of Engagement (Regular BU Team Talks & Coordination Meeting updates, new EMEA and local Diversity & Inclusion Committees, increased visibility on new appointments, new digital technologies including SPARK!). **All implemented last year thanks to your participation in the eNPS Pulses**

How can I participate in our EMEA Q1'22 eNPS Pulse Survey? On Wednesday, March 30th you should receive an invitation email from our partner Perceptyx (eNPS Survey Q1 EMEA customers@perceptyx.com) with a direct LINK to the Survey. It takes 5 minutes to complete. You can also use the attached QR Code & URL to access the Pulse Survey with your Employee Number.

We are committed to listening, understanding and valuing your thoughts in our journey to make CEMEX a great place to work for our talent



EUROPEAN CONSULTATIVE COMMITTEE 14-15 SEPTEMBER 2021

Virtual meeting due to COVID-19





SUMMARY

Health and Safety p. 3
Robert House

Customer Experience p. 4
Alberto Salviejo

Sustainability and CSR p. 6
Andrew Spencer

Growth p. 8
Jose Cascajero

Business Performance p. 9
Sergio Menendez

Human Resources p. 12
Derek O'Donnell

Working Smarter p. 14
Javier Garcia

Any other business p. 16



Robert House

Health and Safety

The CEMEX Global operations have had 8 recordable fatalities for 2020 with Europe recording 0. Globally in H1 2021 there have been 6 contractor fatalities, the majority of which involved moving vehicles and relevant actions, such as driver training and vehicle safety features, are being implemented. The global CEMEX rate for LTIs was 0.5, an industry-leading rate and the lowest to date, and some European countries reporting 0 LTIs for H1 2021. Europe has seen a slightly worsened performance for TRIs with teams working to eliminate these injuries. Improving near-miss reporting has been a particular focus with rates improving across Europe and 97% of all reports are closed out in a timely manner.

On sickness/absence rates, Europe has seen a reduction in rate from 4.8 to 4.0, which has been particularly driven by improvements in Croatia, France and the UK as well as focusing on ways to reduce sickness by looking at the health and wellbeing of employees.

In 2020, CEMEX Europe received 22 individual health and safety awards, demonstrating the company's commitment in making health and safety a priority. Awards have been given across sectors, most improved performance, health and contractor management, and congratulations were offered to all those involved. A number of operations have also continued to achieve LTI-free milestones, with some now up to 20 years free. Various initiatives have been introduced to help achieve long-term injury-free operations with awareness-raising materials and developing the Take 5 approach. Campaigns around Covid-19 also continue to help protect colleagues and their families, including encouraging colleagues to take up the vaccine, and the Covid-19 coordinators were recognised for their work in keeping everyone as safe as possible.

Jean-Serge Peret asked for figures on the Covid-19 infection rates of colleagues. Robert House confirmed that, as of last week, there were 59 active cases, the majority of which were in the UK. The region has seen around 1,500 cases overall with cases rising over the last 7-8 weeks.



Alberto Salviejo

Customer Experience

The most recent NPS survey for Q2 2021 produced an average result of 60 across the region, indicating a strong level of customer satisfaction with product quality and a continued service throughout the pandemic that is valued by customers. There are areas for improvement, including better invoicing, addressing supply chain issues and keeping customers informed of changes and modifications. Comments from customers are quickly reported, analysed and any resulting initiatives can then be reported back to the customer. An internal NPS survey has also been launched to be conducted twice a year and provide valuable insights on how to improve internal services and be more consistent between external and internal customer experience.

CEMEX Go has seen a significant increase in adoption in most markets with a growing share of customers using the application for day-to-day business. Connecting with customers directly through their own platforms is a key focus and a pipeline of around 20 customers in Europe are being developed now to provide seamless connectivity between their own platforms and CEMEX Go. Significant improvements have also been made in removing paper from transactions with around 80% of all invoices now being digitally transferred to customers. Work is also ongoing to help automate the most manual processes that occur, helping free up commercial time taken on certain activities. The ability to engage with customers remotely has helped generate more than \$50m of business over the year and new technologies are also helping launch new products to customers. Sustainability remains a critical part of our activity with high levels of interest from customers regarding low-carbon solutions. New solutions are being marketed to customers and a platform is being set up to allow countries to learn from each other as well as allow the company to be active in promoting products throughout the region.

Uwe Pommer noted a slower rate of adoption for CEMEX Go in Germany and Spain compared to the previous year. Alberto Salviejo explained that adoption levels remain high though the divestment in Spain in the white cement business is why Spain has seen lower adoption rates. Germany has seen high levels of adoption for cement and upcoming investment should improve adoption rates in future, especially for the concrete business. *Next page 5*



Customer Experience

Continue from page 4.

In response to a question from Uwe Pommer on whether customers are willing to pay more for CO2 reducing materials, Derek O'Donnell stated that society now expects such products and understands that these materials come at a premium. The issue is therefore ensuring that these materials are readily available rather than the cost. Andrew Spencer added that the increase in costs only adds an additional 3% to overall construction costs. Michel André noted the demand from clients for products that lower carbon emissions in construction and that more volumes have been sold in July and August this year compared to January to June, indicating the strong levels of demand for such products.

With regards to health activities within CEMEX, this year flu vaccinations will be available in every country, supported by the company, and all colleagues should be encouraged to take advantage. In terms of Covid-19, CEMEX has had 2,000 cases, with 21 fatalities, 1,765 recoveries, and 225 active cases. CEMEX Europe has had 34 of these cases, out of which 9 are currently active, and 3 fatalities. 50 new hygiene and safety protocols have been introduced, including social distancing and employee risk training. All vulnerable employees have been identified. During the pandemic, employees were asked to take holidays, reduce overtime and change schedules and shifts, but no jobs were cut.



Andrew Spencer

Sustainability & CSR

Climate change pressure has significantly increased over the last 12 months and CEMEX has responded by bringing all climate targets forward by 5 years, increasing the 2030 target in reducing CO2 emissions up to 40% and delivering net zero CO2 concrete globally by 2050. The Green Deal has come into force in Europe with a range of ambitions regarding the circular economy, waste management and renovating building stock to be more efficient, and CEMEX will be embracing these as opportunities for improvement. CEMEX will be the first company within the sector to align themselves with the ambition to reduce emissions by 55% by 2030 alongside ambitions for the cement business, aggregates, ready mix and urban solutions with transport and logistics being addressed this week.

Future in Action is the organisation's new climate ambition regarding its commitment to being net zero cement CO2 by 2050. It is comprised of 3 components, (1) to design low carbon products, (2) to create a low carbon value chain and (3) to look at new technologies. A carbon neutral alliance has also been formed at the Rüdersdorf facility to work with over 20 partners in developing new technologies and identify ways to capture CO2 to be converted for use in processes or be stored for the future with an aim to have a test bed in place by 2025. The region has seen improved performance across a number of areas, including a 4% improvement in CO2 in cement with the global 2030 target hit last year. CO2 reduction rates have tripled in the last 3 years and Europe is leading the way in how investors and analysts evaluate the company on its sustainability journey.

Social impact and community engagement remains an important aspect with a full community engagement plan for all cement plants across the region and this programme will be extended this year to help identify close community contacts and where there are opportunities to engage. Community engagement dropped during the pandemic though digital engagement will help improve this. While volunteering also decreased, around 4,000 hours were dedicated to volunteering with 2,000 trees planted, over 80,000m2 spaces disinfected and 35 tons of food delivered.

The benefits of concrete and its CO2 absorption are being formally recognised and the company is now engaging with associations to better understand current research to help further its promotion of concrete as a sustainable construction material. The Future in Action strategy will now be the face of sustainability communication and a number of webinars will be held soon to help keep colleagues informed of progress.

Next page 7

Sustainability & CSR

Continue from page 6

Uwe Pommer commented on the amount of renewable energy required given how energy intensive the industry is. Andrew Spencer agreed, noting that investment is ongoing in CEMEX's own renewable projects with the installation of solar plants as well as looking at the role hydrogen can play. An exercise is currently taking place to identify all roof and green sites for solar and other renewable energy sources with the first installations of CEMEX's own renewable energy plants now commencing in Poland.

Jean-Serge Peret stated that the implementation of electric vehicles would be a positive contribution as well as improving the company's image. Derek O'Donnell confirmed that they are taking the move to hybrid and electric vehicles seriously to improve their carbon footprint and reflect their intentions. Andrew Spender added that they have announced a partnership with Volvo to develop one of the world's first carbon neutral fleets with ambitions to pilot some early solutions.



Jose Cascajero

Growth

Growth remains an active process within the company with a mandate from the executive committee to invest in Europe in all 4 businesses as well as in renewable energies that can support businesses and processes. Investments are either platform to support efficiencies or strategic to support growth. 2020 saw a hard stop in investment due to the pandemic though now the company has proven that the business is sustainable and essential for the economy, investment has resumed at a pace that hasn't affected growth. The growth pipeline has 122 approved projects across Europe with a total investment of \$541m, which is a result of divested assets being redeployed into the business. All projects are highly attractive with an expected average payback of 5 years. A substantial pipeline of over 330 projects with an expected investment of over \$1.5bn are also under development and will be presented to the investment committee for approval. While the pipeline has focused on the largest investments in cement and aggregates, ready mix and urban projects remain a focus, and a number of Clean Energy projects have also been identified.

Regarding ongoing investments in countries, the UK has seen a strong pipeline in urban solutions and therefore investments are being made into rail and asphalt as well as a strong commitment to the marine business. Investments in Germany focus on Rüdersdorf and the commitment to tackling climate milestones. For Poland, the focus is on debottlenecking facilities following the substantial growth it has seen in recent years. The focus in France is on aggregates and looking at investing in plants close to cities to help maintain competitive advantage. Investments in Spain are linked to recovering positions, for the Czech Republic it is reinforcing positions around metropolitan markets, and investments in Croatia are linked to high efficiency separators to improve the clinker factor.

Jean-Serge Peret asked if there would be any investment in increasing recycling capacity. Jose Cascajero agreed that this was an opportunity to be part of the circular economy and that they will ensure they are identifying and investing in the best opportunities. Michele André added that they will need to recycle more as well as use more recycled materials and that this will require an adjustment of the business model.

In response to a question from Uwe Pommer on whether there are plans to add dry mortar production at Rüdersdorf, Jose Cascajero confirmed that they are looking to do this with an investment of up to \$600m that will be confirmed once the relevant permits have been approved.



Business Performance

The global Q2 2021 results show a V-shaped recovery from the pandemic with recovery to 2019 levels of business, particularly with strong performances in the US and Mexico. Europe has been slower to recover with flat volumes though activity is expected to continue to increase to return to 2019 figures. The company has also managed to reduce the leverage ratio of income to debt to below 3 for the first time since the financial crash, indicating a potential return to achieving investment grade by next year. This opens up a new chapter for the company to resume growth with the level of debt no longer being a risk to the company. EBITDA is now around \$3.1bn, highlighting the clear recovery post-pandemic and an increase in capex. The level of debt has decreased from \$17bn to \$9bn and no significant commitments will be paid down in 2022/23.

The Europe H1 2021 results show that cement has improved by 3-4% on last year and is close to 2019 levels. Ready mix and aggregates are showing greater improvements due to the significant drop in volumes during 2020 and volumes still remain below 2019 numbers. The main challenges are increasing input and CO2 costs though results for H1 are positive and are tracking above budget. Costs have increased significantly over the last 3-4 months with fuel and electricity now making up around 70% of total costs. Croatia and Spain have been particularly hit by accelerating costs, and while volumes have increased, the price increase has mitigated this improvement. Electricity costs are expected to be high until renewable capacity comes into the market and is the reason why the organisation is looking to invest in solar.

On the customer experience, the customer satisfaction rate is positive with a score of 57, and CEMEX Go is facilitating digital interaction with customers with the aim of developing an omnichannel model to ensure customers receive the same information regardless of communication type. Sustainability is also of increasing importance for customers and will therefore be focused on to help promote low-carbon products. On what is evolving, the aim is to allow customer systems to connect with CEMEX's and this capability is currently being tested with around 7 customers with an aim to roll this out to all customers who wish to connect in this way. CEMEX Go will also be promoted to one-time users and those who pay in cash, currently around 20-25,000 of customers, to help build loyalty and promote products. Investments have also resumed in digital applications for CEMEX Go as well as updating technology in service centres and the CRM.

Next page 10



Business Performance

Continue from page 9

On climate action, the organisation is making a clear commitment and is viewing the challenge as an opportunity to promote products as essential for the development of society as well as for climate mitigation.

A high demand for low-carbon products is anticipated and the CEO remains committed in leading the industry in decarbonising products with an accelerated target of achieving targets by 2025 and being net zero on CO2 concrete globally by 2050. Intermediate targets will be published in the coming weeks and the aim will be to reach 90% or more alternative fuels in all cement plants in Europe, which will require significant investment in Spain and Croatia. It is anticipated that the company can achieve around 70% alternative fuels by the end of the year compared to a European average of 45%. Low carbon products will have an impact on prices and this will be reflected in the total cost of construction.

Engagement with colleagues is improving and survey data is being used to make improvements. An engagement plan has also been developed to overcome challenges and ensure colleagues remain motivated. Work continues to keep everyone safe with protocols and a focus on mental health.

In response to comments made by Jose Lafuente, Sergio Menendez explained that the engagement and satisfaction of people is key with adjustments being made to help support staff through transitions. On the company's footprint, the CEO and Board have expressed an interest in growing the business in both the US and Europe to help balance the portfolio of the company. Muriel Peretti asked about the sourcing of LCC materials. Sergio Menendez commented that the policy is to be able to source materials at the most competitive costs from all operations as well as lower CO2. The trend is also to keep products closer to markets to help prevent supply chain disruptions and the procurement teams have taken advantage of the scale of the company to make bulk purchases. In response to a further question regarding Volvo, Sergio Menendez explained that this is an alliance to develop hydrogen equipment and vehicles that will be required in a low-carbon economy.

Next page 11



Business Performance

Continue from page 10

Jean-Serge Peret commented on the company's positive results and that it would be fair for colleagues to benefit from a salary increase. Derek O'Donnell acknowledged that all employees had agreed to make a contribution through their salary last year to help support the company and that this was all paid back. All employees received a cost of living pay increase in January 2020 and 2021, and a judgement will be made on this again for 2022.

Bogumila Halas asked what was being done to resolve the problem with transport in Poland and commented that the pay increases in Poland didn't reflect the inflation levels experienced in the country. Derek O'Donnell explained that salary increases take macroeconomics and inflation into account with the intention to treat people as fairly as possible. On the transport issue, Sergio Menendez noted the peak in demand which has increased over the past 2-3 months as well as the growing demand for drivers. This is being constantly reviewed alongside how to minimise stockouts and maximise capacity.

Mladen Radic commented that salaries aren't sufficient for workers and that more social sensitivity is required.

Graham Osman remarked that UK government expects construction to increase over the next 5 years and queried the focus on metropolitan markets. Sergio Menendez explained that this focus is to strengthen their presence and continue to drive growth within the industry.



Human Resources

During Covid-19, 52 safety protocols have been developed to ensure the safety of employees and this has been supported by over 2,000 Covid-19 coordinators. CEMEX Go has facilitated safe delivery and 84% of people believe CEMEX has acted positively throughout the pandemic. CEMEX University has also helped people with training on collaborating effectively and supporting emotional wellbeing.

Employee engagement is measured through the quarterly eNPS scheme and the most recent survey produced a score of 32 across EMEA, which is considered as the lower end of very strong, showing that people are willing to recommend CEMEX to friends and family as a good place to work. Survey results are collated and then formed into initiatives to improve the lives of co-workers. This is carried out alongside the full survey that is conducted every 2 years with the next survey to be carried out in October 2022. Of the 10,000 staff across the region, 4,200 received training in 2020. Training includes leadership programmes, functional area academies, operational academies, CEMEX University and standard local training.

54 ethical complaints have been made this year with all matters being investigated and actions implemented if required. A new EMEA ethics committee was formed this year to strengthen the network of local ethical committees and provide assistance with senior violations. Last year saw 144 complaints, with around 50 related to the same country, and it is hoped there has been a reduction this year, though reporting is encouraged and expected in such a large and complicated organisation. On diversity and inclusion, this is an initiative from the top of the organisation to ensure that the company is as diverse as the communities in which it works. Recruitment processes have been redesigned to encourage diversity and there is a focus on unconscious bias with a course available through the CEMEX University on this. A slide for reasons for leaving in 2020 was presented showing that 1,700 people left, with a large number departing due to changes in the portfolio.

Jose Lafuente queried on reasons for leaving. He also noted that outsourcing is increasing and commented that this is concerning for workers.

Next page 13



Human Resources

Continue from page 12

Derek O'Donnell suggested that he meet with Jose Lafuente to go through the points in more detail around reasons for leaving, though it was noted that voluntary leaving is low with many older workers spending their whole careers at CEMEX.

Regarding outsourcing, Derek O'Donnell stated that this can sometimes be necessary within the organisation. In response to a comment from Uwe Pommer that over half of those leaving were in the UK, Derek O'Donnell confirmed that this was a result of the sale of a third of the business in the UK where almost everyone transferred to the new business. Uwe Pommer also noted that no mention had been made of Stronger CEMEX or Operation Resilience. Derek O'Donnell responded that Stronger CEMEX was a move to a more regional model and he thanked representatives for their support in bringing in such a fundamental change to how the business is run. Operation Resilience is about streamlining the business and will put \$34m into the business.

Petr Votova remarked that the previous question regarding a pay increase had not been addressed and queried whether the increase in volumes would be reflected in a pay rise in the Czech Republic. Derek O'Donnell stated that they had no remit to discuss pay negotiations in this forum and it will be discussed at the negotiations that commence next week.



Javier Garcia

Working Smarter

With the agreement with IBM coming to an end in 2022, Working Smarter, which is part of Operation Resilience, is a strategic view of how CEMEX should operate in the future with targets on growth, strategy and how to adapt. The focus of Working Smarter is on how back-office functions will work into the Operation Resilience initiative by looking at best practices in back office functions and shared services as well as capitalise on changes made with more remote working over the last 18 months. The main aim is to automate and simplify as many processes as possible to create a better work-life balance for all as well as reduce costs and build a more resilient BSO.

For IT, IBM has been retained for a small number of services with HCL to now provide most services with Axians providing the network. On HR, payroll and additional HR administrative support will be provided by TCS and EY. For finance and accounting, the current contract with IBM has been renewed for a further 5 years with a more flexible agreement at a lower cost and no penalties for leaving the service early. A saving of over \$30m across the 5 years is also expected along with additional savings on switching to HCL and TCS. The ServiceNow platform will be introduced to help manage all services and Success Factors will need to be fully rolled out. There is also a focus on ensuring that all European countries are working under the same SAP.

The GSO and BSO have been merged into the Global Enterprise Services with 2 regional arms and a global business excellence team. The concentration will be on delivery teams to improve processes and efficiencies with the 2 delivery centres situated in the Americas and EMEA. Whilst some services can be provided locally, others will need to be available at a local level, though most BSO employees will be reallocated. The HR transformation will look to help transform and adopt best practices and technologies, and more information on this will come in the coming months. This is similar for IT and processes, which will focus on improving IT systems. Transformation will be introduced gradually and it is expected around 80-85 people will be impacted, though the net figure will be 40-45 as approximately 40 new positions will be created, with the majority of those affected in the UK and Czech Republic.

Next page 13



Working Smarter

Continue from page 14

Muriel Peretti queried who would be impacted by job losses and voiced concerns regarding transitioning to the new SAP. On job losses, Javier Garcia explained that this is still to be determined and it is hoped that more information will be communicated by the end of the month. Regarding the transition to the new SAP, Javier Garcia acknowledged the complications caused by change and confirmed that changes will be implemented gradually with the migration handled carefully.

Uwe Pommer asked if they would now have individual contracts with all service providers and commented on the additional workload for colleagues caused by transitions. Javier Garcia confirmed that they would now be working with 3-4 different providers rather than just IBM though the new platform will assist with this. On the additional workload caused by transitioning, Javier Garcia acknowledged this was a risk but that the resources are in place to help manage this and that the overall goal is to simplify the workload for all teams. Muriel Peretti added that while the changes will bring savings, the organisation also needs to be aware of the burnout it can cause for workers and the additional training that will be required. Javier Garcia advised that they are not looking to overwhelm people with changes and that all efforts will be put in place to avoid burnout.

In terms of LTIs, while the rate is higher than last year, 98% of the sites in Europe are accident-free. This is something that must be reduced until it's eliminated. However, August was the first month in company history without LTIs, which is extremely positive. More recent positives include the way people have connected to Element 15, and the new protocols related to Covid-19. A big shift has been made to digital transactions and e-commerce, with CEMEX Go being vital, as it is already used by 50% of all orders received. Some competitors have announced similar efforts recently, but as the timeframe is 1-2 years after the introduction of CEMEX Go, CEMEX is strongly differentiated.



Any other business

Jean-Serge Peret noted that no country figures were provided for the Czech Republic* and asked if this information had not been received. Derek O'Donnell confirmed that he would look into this further.

Jean-Serge Peret commented there had been little discussion regarding homeworking. Derek O'Donnell explained that they will start to move to a more office-centric environment and a new policy on hybrid working is expected to come from Corporate with more flexible working anticipated.

AFTER CONCLUDING REMARKS FROM JEAN-SERGE PERET AND DEREK O'DONNELL, THE MEETING WAS THEN CLOSED.

* These information was sent later to the ECC participants, given the late response from data responsible in Czech Republic