

### Introduction

The annual UK Communications Forum took place on Thursday 5th September, at Cemex House in Binley, Coventry. It was an opportunity for two-way communication between business leaders and Employee Representatives.

The day included business updates, with topics covered ranging from health & safety, sustainability, financial performance, operations, and future plans for the company.

In his introduction, Chair, Lex Russell emphasised the importance of open discussions and asking questions throughout the day.



### In attendance

#### Presenters/Support:

Name	Business Area	Role
Lex Russell (Chair)	Materials UK	Director Materials UK
Dave Hart	Supply Chain	Director Supply Chain UK and Northern France
Scott Jones Damien Allen	Urbanisation Solutions	Director Asphalt & Paving Solutions EMEA Director Building Products, Precast, Modular EMEA
Philip Baynes-Clarke	Cement Operations	Director Cement Operations UK
Craig Williamson	Cement Commercial	Director Cement Commercial UK
Terri Charles	Customer Experience	Head of UK Service Centre
Clare Pickering	GES	Director R2R and Operative Support for EMEA
Miranda Clegg	Future in Action	Sustainability Manager UK
Andrew Richmond	Communications	UK Communications Manager
Lucy Forster	HR	Director Human Resources UK (Acting)
Liz Burns	HR	HR Business Partner

#### Employee Representatives:

Name	Area Representing	Role
Richard Jenkins	Supply Chain - Cement	Class 1 Driver (Tanker)
Alex Maybury	Supply Chain - Aggregates	Class 1 Driver (Tipper)
Stephen Porter	Cement Operations & Commercial	Mechanical Senior Technician
Andrew Hoskins	Materials	Operations Manager
Matthew Fearn	Materials	Quarry Manager
Mark Hampton	Materials - Marine	Health and Safety Development Officer
Tom Crutchley	Urbanisation Solutions Asphalt	Sales Representative
Andrew Burne	Urbanisation Solutions Building Products	Production Planner
Darren Bland	Customer Experience	Senior Sales Agent
Mary-Ann Macinnes Collins	Support Functions	Health and Safety Manager

Key Messages from the Forum:

## Health, Safety & Wellbeing

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Lex started the day's proceedings with a review of health and safety over the past 12 months, emphasising that by continuing to look after ourselves and look after each other, we can all play our part in preventing injuries in the workplace and supporting the wellbeing of ourselves and our colleagues.

### EMEA

- There has very sadly been one fatality across the EMEA region this year
- We have reported 17 LTIs and 20 TRIs year to date across EMEA
- Near Miss Hazard Alert reporting has increased 1.56% in EMEA

### UK

- Zero fatalities achieved across the UK this year – 5 years fatality free
- We reported 3 LTIs and 6 TRIs in 2024 across the UK
- Near Miss Hazard Alert reporting has decreased -6.79% in the UK



### Zero 4 Life – Let's Do It!

We should be proud of what we have achieved over recent years in terms of the culture we have created to become sector leading in our approach to health & safety. However, while people are suffering injuries at work there is always more we can do to ensure we achieve our Zero4Life, injury free target – let's do it!

### Health & Safety Priorities

- Continued emphasis on wellbeing
- VFL Interaction
- Working at Height Audit and Actions
- Continuous Improvement and 5S initiatives
- Zero4Life Today for Drivers
- Continued roll-out of MP Connect
- New Year Training – Zero4Life Together

## Customer Experience

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Terri introduced the work that our customer services team are currently undertaking to make further improvements as we strive to enhance customer service and introduce digital technologies that help us to provide a superior customer experience.

### Customer Operations Performance Centre (COPC) Certification

This a globally recognised performance management framework that enables us to measure and improve all operational activities that support the customer experience. The Service Centre are working towards Certification to the COPC Standard and as part of this work have defined a Statement of Direction, which is to, 'Deliver Superior Customer Service by providing an omnichannel experience, focusing on employee engagement, and enabling technology & processes to achieve cost efficiency.'

### Cemex Go Acceleration & Adoption

The continued focus on the acceleration and adoption of Cemex GO will help to create a smooth technology empowered experience for our customers and is also helping us to standardise and fully integrate technology within processes across all countries.

### Paperless Delivery Tickets

- Readymix – deliveries: adoption at 71% in August 2024 with year-to-date savings of €40k. Next steps include sending delivery tickets to customers by e-mail
- Aggregate – deliveries: Currently piloting with five customers to validate end-to-end process with rollout planned across the Midlands region in the 2<sup>nd</sup> half of September 2024 with other regions to follow
- Asphalt – pick up: Three customers onboarded and pilots commencing in September 2024 to review paperless process with further integration with Ezenit tool

### Voice of the Customer

#### Net Promoter Score (NPS)

Our NPS surveys are crucial to us understanding how we are performing for our customers and whether they would recommend us based on their overall experience. It is also critical for us in recognising where we can make further improvements to improve the customer experience.

- Our overall UK NPS score current stands at 64 (+4 on 2023)
- Improvements in our NPS scores against 2023 can currently be seen across Readymix, Asphalt, Dry Silo Mortars and Floors
- Cement, Aggregates, Building Products and Concrete Products all continue to achieve high NPS Scores in excess of +66

#### Customer Satisfaction (CSAT) pilot scores

The Service Centre are also currently piloting a Customer Satisfaction survey which allows customers to directly reflect on the service they have been provided following direct contact with our Service Centre.

- 77% Customer Satisfaction score year-to-date 2024
- 86% of customer responses advised that the agent was professional
- 64% of customer queries were resolved at the first point of contact

## Financial Performance

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Clare gave an overview of our financial performance year-to-date and reflected on just how challenging the current market conditions are across the UK, acknowledging that this is a similar story both across Europe and the wider EMEA region.

Total sales are down -6% against budget and -10% vs 2023 but our OCF (Operating Cash Flow) is currently +9% against budget but 24% lower than 2023. The above budget information has been helped by strong cost management, reduction in energy and fuel costs, maintaining our pricing strategy, and holding on to our market share despite volumes being down. OCF is currently forecast to finish the year at budget levels although it is expected that it will be challenging to continue to maintain our final year end OCF at this level.

### Current financial performance highlights

- Cement OCF -21% vs 2023 and +29% against budget for 2024
- Materials OCF -17% vs 2023 and -5% against budget for 2024
- Urbanisation Solutions OCF -22% vs 2023 and -14% against budget for 2024
- Total OCF -24% vs 2023 and +9% against budget for 2024

To date, this represents a reasonably strong performance, particularly when taking into account current conditions.

## Sustainability

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Cemex continues to be industry-leading in our efforts to improve the sustainability of our operations and products. Our “Future in Action” Strategy is to achieve net zero globally by 2050, with efforts falling under six pillars. Miranda gave an update of activities and overall performance against these pillars and our 2030 interim targets.

### 1. Sustainable products and solutions

- CerO<sub>2</sub> tool – CO<sub>2</sub> tool update for customers – provides accurate product footprint
- Development of Cemex BIM plugin tool
- Vertua products – ongoing development – mortars, sprayed concrete, concrete blocks, sleepers, recycled asphalt

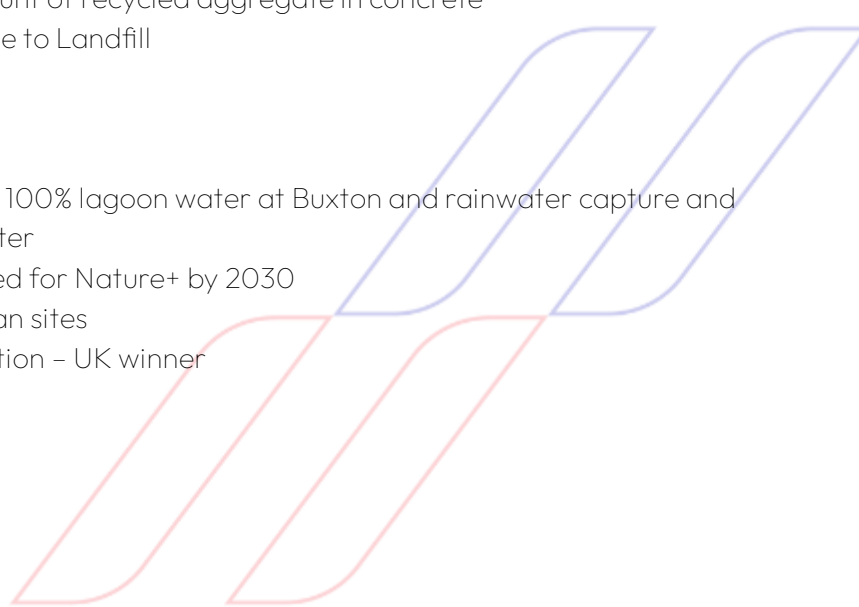
### 2. Decarbonising our operations

- 47% CO<sub>2</sub> reduction in cement since 1990
- Alternative fuel rate in cement operations of 73%
- 48% CO<sub>2</sub> reduction in concrete since 1990
- 36% CO<sub>2</sub> reduction in asphalt since 2010
- 27% CO<sub>2</sub> reduction in mortars since 2010
- ISO 50001 implemented across UK Materials

### 3. Circular economy

- 50% increase in waste managed vs 2022, ~ 900kt in total
- 3.4 million tonnes permitted restoration void with another 3.3 million tonnes to come shortly
- Trials underway to increase the amount of recycled aggregate in concrete
- Regenera seal launched – Zero Waste to Landfill

### 4. Water & Biodiversity

- Water strategy/hierarchy launched
  - Water reduction – Urban Solutions – 100% lagoon water at Buxton and rainwater capture and recycling at Somercotes and Rochester
  - Habitat mapping roadmap developed for Nature+ by 2030
  - Net Gain for Nature initiative at urban sites
  - EMEA Nature photography competition – UK winner
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### 5. Innovation & Partnerships

- £1.7million awarded to Cemex and partners by the DfT to develop a demonstrator shore power system for our Marine fleet
- Flexible solar panels installed at Chichester
- Brighton Wharf solar panels - 154 m<sup>2</sup>
- Alrewas hybrid system (solar and battery)
- Cement Electric Discharge System - 20 plant roll-out - saving ~ 5% CO<sub>2</sub> per delivery

### 6. Promoting a green economy

- Newly elected MPs & Ministers sent invites to meet and visit Cemex sites across the country
- 788 lend-a-hand hours
- Southampton Marine open day for local schools to promote a career in Cemex
- Journey of a Mineral video being developed to explain the quarrying process to a wider audience

### Additional achievements

- Newly elected MPs & Ministers sent invites to meet and visit Cemex sites across the country
- ISO 14001 certification at all sites - NQA are our new auditors - no non-conformities so far this year - combined with our new ISO 50001 certification for energy management
- BES 60001 Responsible Sourcing certification - Excellent level in cement and Very Good in all other business areas
- Reduction in environmental incidents from 14 in 2022 to 12 in 2023 (6 so far in 2024)
- Waste acceptance and compliance - preventing unacceptable wastes being taken to any of our landfill or recovery sites
- Environmental monitoring and compliance of our 70 legacy landfill sites
- Net waste ratio - we consumed 249 times more waste than we produced

## Supply Chain

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Dave spoke about the challenges and successes from the past year within Supply Chain focussing on the continued importance placed on health & safety and sustainability, and the ongoing initiatives to keep finding new ways to make improvements. Overall, there has been a huge amount of activity across our road, rail and water supply chain networks and whilst market conditions were often tough this has been somewhat offset by a reduction in fuel prices compared to previous year.

### Health & Safety

- YTD end August - One LTI, 2 \* TRI + 6 HIPOS
- Excellent NMHA close out performance (100%), good inspection Scores + Take 5 adoption
- Wellbeing - Welfare improvements, Jason Anker sessions for haulage contractors + Rail operations and active participation from supply chain on UK Wellbeing Committee
- Supply Chain LTI Free Milestones - Aggregates & Asphalt 2 Years, Water 4 years and C P 15 years
- Global Awards - Road Transport UK Supply Chain 2<sup>nd</sup> in Best Performance in Road Sector
- Continuous Improvement - School Safety Events (road + rail), SSOW to videos, Road Safety Week, Vehicle Safety Feature Trials, ER recognition, FORS Gold accreditation + Defensive Driving Training Video

### Cement

- Successfully navigated the annual kiln shutdown without disruption
- Additional loading point at Tilbury
- Introduced 2<sup>nd</sup> off site packed depot in Southwest to support customer service

### Aggregates

- Managed supply through the 9 day Hope Valley rail outage without impacting customer service
- Progressing increased storage at Barking rail depot
- Coordination of RMX limestone demands in London

### RMX

- £50k Investment in out of hours equipment – Altrincham, Crewe, Witney, Hereford + Cardiff
- Market Area Reviews held quarterly
- £60k Investment in additional storage bays – Aston, St Helens, Ellesmere Port + Leeds

### Sustainability

- 2024 Rail volume 5% ahead of 2023 and saving 17kt of CO2
- Barge into Fulham – 75% CO2 saving through a reduction of 5k vehicle movements
- Plan to trial electric tipper end Sept
- More than 500 trains into Parkfield and Barrington YTD
- Roll out of LCD Blowers into ~20 RMX plants – £600k CAPEX from Global Innovation fund
- MPG across Cement + Aggs fleets 6% higher than 2023

## Asphalt, Admixtures & Mortars

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Scott spoke of a challenging year for all areas of Urbanisation Solutions in the current market conditions but also focussed on a number of successes over the past 12 months including:

- Health & Safety – proud of teams achieving zero LTIs however two significant HIPO's that act as a reminder to continue our focus on health and safety
- Sustainability – with a target for Vertua products to make up at least 50% of all sales
- Financial Performance – with a focus on margin growth and execution of growth projects to deliver planned returns
- Growth – where the business will continue to identify opportunities within the right markets

It was also acknowledged that the UK business contributes 50% of all Urbanisation Solutions OCF across the EMEA region and continues to provide strong results for the region.

Highlights from across business areas in 2024:

### Asphalt

- Birmingham Asphalt plant has now been operational for 12 months
- Continued investment into current asset base:
  - Preston Baghouse, Ellesmere Port Dryer & Fuel Tanks, Bletchley Hotstore in progress
  - Replacement offices at Huyton
  - Improvements at Sheffield including toilets, facilities, welfare spaces and plant appearance
- Increased use of recycled materials in our products
- Target 50% Vertua sales

- Actively explore growth opportunities in the UK and abroad
- Paperless end-to-end pilot in progress with North West customers and Track delivery in development phase

### Mortars

- 18 years LTI free achieved in July 2024
- In August almost 16% ahead of budget and 3.5% above last year. Year to date 10% ahead of budget but 4% behind last year
- All Mortar products now meet criteria for Vertua branding
- Swindon Dry Silo Mortar plant construction works started in July and plant expected to be operational in 2025
- Further growth projects in pipeline include bagging facility and limestone filler processing at Buxton
- Shortlisted for two British Tunnelling society awards

### Admixtures

- Admixtures UK has achieved 22 years LTI free in July 2024
- A new site survey system has been adopted to engage the sales team to review external sites and better inform both delivery drivers and the business of any areas of concern
- Innovation continues with the Biel / German team continuing to collaborate on solutions as a response to the changing needs of our industry with tertiary cement, recycled aggregates being used more extensively as well as inroads into Asphalt solutions
- The sales team has been increased to ensure that there is sales coverage for the entire UK, as well administrative and technical sales staff
- Cemex GO has being trialled and implemented into a growing number of internal plants
- New facilities for the business are still under discussion and are at the planning stage and will incorporate improved trialling facilities to improve customer experience

## Building Products

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Damien also spoke of the market challenges for building products within the current climate particularly with the slowing of the housing market affecting Concrete Products and Floors. The infrastructure sector was described as mixed, with bearers on target for a record year but sleepers at low volumes and still ramping up.

### Health & Safety

- Whole business is 1-year LTI free
- 4 Minor Accidents Year to date

### Continued Investment

- Ongoing investment with over £1.7m GBP invested in the business in 2024
- Ongoing Buxton Upgrade – major Installation of plant at the end of the year. Phase 2 in 2025.
- New Pick and Place Robot at Somercotes
- Demolition of old building at Northfleet, freeing up valuable space

### Future in Action

- Rochester Sleepers and Concrete Products blocks are 100% Vertua
- Buxton using lagoon water in the production of blocks

### Customer Experience

- Building Products NPS score currently at 86
- Rail brought into scope achieving 63 after the first survey

## Cement Operations and Commercial

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Phil and Craig delivered information about performance across Cement Operations and Cement Commercial over the past 12 months, which focussed heavily on health & safety, sustainability, people, communities, customers and sales.

### Health & Safety

- 2 LTIs at Rugby in 2024
- 3 yrs LTI free at Tilbury
- 10 yrs LTI free – cement inbound
- 15 yrs LTI free at Kensworth Quarry
- 20 yrs LTI free at Southam Quarry

### Cemex in the Community

- 1,000 visitors to the cement operations over past 12 months, including students, community groups, and key stakeholders
- Sponsored many local projects including girls football team

### People

- Family fun day for colleagues to celebrate with their families
- 8 promotions, 6 long-service awards, 17 new starters in 2024

### Sustainability

- -45% reduction in CO2 emissions since 1990
- 4 million tonnes of Alternative Fuels have been consumed since 2005
- Daily Alternative Fuels record set in August at 97%. New monthly AF record set in the same month at 87%.

### Operations

- Stable operation with no major issues to report so far in 2024. Healthy stock levels of bulk cement and packed products, ensuring a reliable supply for our customers.

### Commercial

- Difficult 2024 so far with lower volumes and pricing impact
- We are holding onto our margins and market share which are the positives
- We continue to make good progress with lower carbon cement and reducing clinker factor



- New look bags, inspired by Rugby's strong history and heritage



## Materials

Lex spoke of how the Materials business have produced a good performance to date across 2024 under challenging market conditions. Pressure on selling prices can be seen in both Aggregates and Readymix, however, excellent cost control in all cost categories alongside excellent pricing and protecting margins has helped to mitigate the OCF impact.

Areas where UK Materials have seen success over the past 12 months include:

### Health & Safety

- Strong leadership, leading Indicators

### Customer centricity

- Customer Satisfaction: High NPS levels
- New Products and Solutions: Vertua, PSB, penetration of VAPs
- Digital Strategy: UK Cemex Go - Digital first model; CRM

### Future in Action:

- CO2 reductions in four business lines
- Carbon Capture Utilisation and Storage (CCUS) exploration
- Circularity: focus on recycled aggregates in concrete
- Quick wins with water, mapping for Nature Positive target on biodiversity
- Government support needed in regulations to advance Future in Action

### Looking ahead:

- Market Demand (2024 volumes trending just below budget....2025 MPA expecting +2% vs 2024). Inflation, Interest Rates and New Government will all have an impact on how 2025 is shaped
- Marine Volumes – demand in Europe
- Capex Initiatives (ie Swinderby Replant 2024, Shepperton 2025, Manchester Readymix 2025)
- HS2 Volumes (Parkfield Landfill and Barrington Landfill busy YTD 2024.... unsure of 2025 volumes as yet), Alrewas Aggregates and Readymix needs to increase volumes.

### Q&A

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Please refer to the supporting Q&A document for the responses to the questions put forward by employees from the different business areas.

We will also be sharing on SPARK most of the presentations that were presented during the Forum.

### Close

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As a leadership team, Lex described how we often have difficult decisions to make about all aspects of the business, but we try to be fair when making any decisions that impact people. Lex commented on an overall positive year so far given the current market conditions and thanked everyone for their contributions and for their efforts.

### Further Information

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If you would like to discuss any of the points in more detail, please get in touch with the Employee Representative for your business area.

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