



## Introduction

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The annual UK Communications Forum took place on Thursday 4th September, at Cemex House in Binley, Coventry. It brought together business leaders and Employee Representatives for open dialogue and updates across key areas of the business. With a redesigned agenda this year, the forum maintained its focus on transparency, collaboration, and shared responsibility.

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

Lex began the day by welcoming attendees, reflecting on the value of reconnecting with colleagues and the importance of open dialogue. He acknowledged the significant changes underway across the business and emphasised the vital role of Employee Representatives in supporting around 1,800 colleagues.

Lex encouraged everyone to speak openly, assuring that the leadership team would be honest and transparent throughout the day. His message was clear: this is not “us and them” – we are in it together, and trust in open, honest communication is key to moving forward.

## In attendance

Presenters/Support:

<b>Lex Russell (Chair)</b>	Materials UK	Director Materials UK
<b>Philip Baynes-Clarke</b>	Cement Operations/ Cement Commercial	Director Cement Operations UK
<b>Robert House</b>	H&S	Health and Safety Director EMEA
<b>Brad Hammonds</b>	GES	UK Financial Accounting Manager
<b>Miranda Clegg</b>	Sustainability	Sustainability Manager UK
<b>Sarah Murphy</b>	Communications	Head of External Communications EMEA
<b>Steph Horn</b>	HR	Director Human Resources UK
<b>Liz Burns</b>	HR	HR Business Partner

Employee Representatives:

<b>Richard Jenkins</b>	Supply Chain – Cement	Class 1 Driver (Tanker)
<b>Rory Clark</b>	Supply Chain – Aggregates	Driver Supervisor
<b>Stephen Porter</b>	Cement Operations & Commercial	Mechanical Senior Technician
<b>Andrew Hoskins</b>	Materials	Operations Manager
<b>Matthew Fearn</b>	Materials	Quarry Manager
<b>Tom Crutchley</b>	Materials Asphalt	Sales Representative
<b>Andrew Burne</b>	Materials Building Products	Production Planner
<b>Darren Bland</b>	Customer Experience	Senior Sales Agent
<b>Mary Ann Macinnes Collins</b>	Support Functions	Health and Safety Manager

### Key Messages from the Forum:

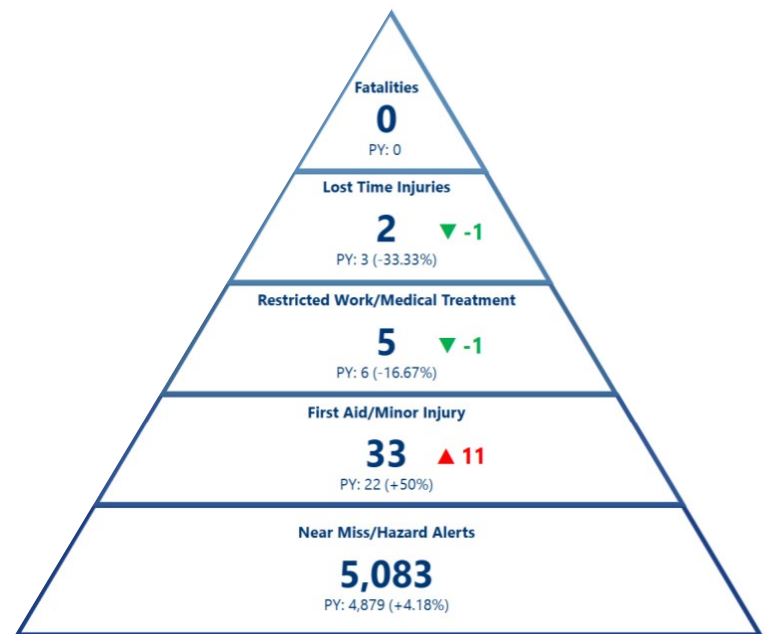
## Health, Safety & Wellbeing

Robert provided a comprehensive update on Health & Safety performance across the UK and EMEA, noting that while the region faced challenges – including a contractor fatality in Israel and an increase in LTIs – UK performance remained strong with zero fatalities and a reduction in LTIs and TRIs. Generally, attention is needed on contractors, as they remain a source of incidents.

Robert praised the consistent reporting and high close-out rates of Near Miss Hazard Alerts (NMHAs), which continue to add value across sites. He also recognised the importance of recording First Aid/minor injuries.

Engagement levels remain high, with standout initiatives such as Safety Timeouts, stand-downs, 5S, a focus on working at height and creative approaches to International H&S Days. Working closely with the wider region provides opportunities to learn from each other and apply locally.

Robert also highlighted the impressive approach to wellbeing in the UK, which is especially important during the ongoing structure changes to the business. The UK was also recognised in the Cemex Global Awards and externally by the MPA for its health initiatives.



**UK H&S results August YTD 2025**

### Looking ahead, priorities include:

- Maintaining focus during organisational change
- Promoting the 'Take 5' safety mindset
- Site standards, working at height and auditing high-risk activities
- Keeping Health & Wellbeing an integral strategic priority
- Trialling i4Safety AI technology to enhance behavioural safety
- Smarter spending on PPE
- Evolving the New Year training with a more engaging format

## Financial Performance

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Brad began by talking attendees through the key financial terms which are utilised across the global business to indicate how the business is performing, including OCF, EBIT and ROCE. This reflects the business's new focus on EBIT and ROCE, which will better take into consideration ROI and depreciation of assets.

Brad then gave an overview of our financial performance year-to-date and reflected on how the difficult market environment makes cost management increasingly important.

Total sales are down -4% against budget and -3% vs 2024 but our OCF (Operating Cash Flow) is currently +2% against budget and +0.1% against 2024. Additionally, our FCF (Free Cash Flow) is +£7.1m against budget and +£1.5m against the previous year. This budget performance has been helped by strong cost management and strategic asset investment, e.g. at Dove Holes and Tilbury.

### Current financial performance highlights

- Cement OCF, +7% vs 2024 and +8% against budget for 2025
- Materials OCF, -2% vs 2024 and -2% against budget for 2025
- Urbanisation Solutions OCF, -4% vs 2024 and -11% against budget for 2025
- Total OCF, 0% vs 2024 and +2% against budget for 2025

Despite ongoing tricky market conditions in 2025, with reduced volume demand and increased competition on price, the business has delivered notable variable cost savings even as inflationary pressures persist. Pricing has been below expectations, with limited opportunities to increase prices due to subdued demand—though this has been partially offset by lower raw material costs.

Fixed costs, including salaries and other inflation-driven expenses, have been managed by limiting discretionary spending such as maintenance. Distribution costs have largely reflected inflationary effects and come in lower than anticipated, while Urbanisation Solutions has been impacted primarily by lower volumes across all markets.

## Sustainability

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Under the leadership of our new CEO Jaime Muguiro, Cemex is entering a new phase of transformation that calls for a refreshed approach to sustainability. While our commitment to achieving net-zero CO<sub>2</sub> emissions by 2050 remains central, the company is now pivoting towards a strategy of Smart and Profitable Decarbonisation.

This means our Future in Action programme – and its six foundational pillars – will be refined to better align with our new strategic focus. By evolving our efforts in the areas of; sustainable products and solutions; decarbonising operations; circular economy initiatives; water, biodiversity and air quality management; innovation and partnerships; and promoting a green economy, we will ensure our sustainability journey continues to deliver meaningful impact and business value. Further details will be shared on the revisions to the programme when available.

In the meantime, Miranda gave an update of activities and overall performance against the existing pillars and our 2030 interim targets.

### **1. Sustainable products and solutions**

- 5 cement EPDs produced for UK bulk products (Environmental Product Declaration)
- CerO2 carbon footprint tool launched
- Vertua range of products available
- ISO 14001 and ISO 50001 certification ongoing
- BES 6001 Responsible Sourcing certification

### **2. Decarbonising our operations**

- 48% CO2 reduction in cement since 1990
- Alternative Fuel rate in cement operations of 78%
- 33% CO2 reduction in concrete since 1990
- 33% CO2 reduction in asphalt since 2010
- 30% CO2 reduction in Building Products since 2021
- 29% CO2 reduction in mortars since 2010

### **3. Circular economy**

- 41% increase in construction waste managed vs 2023 - 1,264,000 tonnes in total
- Secured 1.8 million tonnes of permitted void at Berkswell quarry
- Binley achieved Zero Waste to Landfill award and iiE Silver award

### **4. Water & Biodiversity**

- Nature+ biodiversity strategy ongoing. Habitat mapping completed for UK
- RSPB 15-year anniversary celebrating a successful conservation partnership
- Water monitoring initiatives ongoing to support the global water reduction targets

### **5. Innovation & Partnerships**

- Biodiversity Net Gain (BNG) service to support developers with complicated requirements using
- Partnership with James Watt College on New Concrete Testing Facility for students
- Void packing machine in Building Products for recycled strapping to be used in lightweight block distribution

### **6. Promoting a green economy**

- Celebrated 1 million tonnes of Alternative Fuel (Climafuel®) use at Rugby - replaced over 750,000 tonnes of coal since 2015
- Submitted robust response to landfill tax increase
- Met with MP Kanishka Narayan to discuss streamlining complicated legislation

Miranda also provided an update on Cemex's Nature Positive activity, which continues to make significant strides in conservation and biodiversity at our sites across the UK:

- The partnership with the RSPB remains central, with Carl Cornish advancing as Conservation Advisor and overseeing the transfer of Denge Quarry to RSPB management at Dungeness Point.
- The team has showcased conservation work to international colleagues and introduced conservation grazing with Belted Galloway cattle at Rugeley, earning praise from local wildlife authorities and regulators.
- Efforts at Kensworth have led to the successful establishment of rare butterfly colonies, including Duke of Burgundy and the first recorded Chalkhill Blues in restored quarry areas.
- Regular collaboration with Butterfly Conservation, local wildlife trusts, and community groups is helping to drive positive outcomes for biodiversity and habitat restoration.



## Materials

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Lex began by talking through the priorities for Materials that had been in place during 2025, which, following the company restructure, now also includes the products that previously came under 'Urbanisation Solutions' - Asphalt, Building Products and Dry Silo Mortar.

### Priorities:

- **Health & Safety** and **Wellbeing** remain top priorities, with a focus on caring for ourselves and each other – not just meeting KPIs.
  - The reported HIPO incidents show we have a good H&S culture, though some have been concerning.
  - Three TRIs recorded in new Materials; one LTI involving a contractor at Halkyn.
- **Financial focus** on EBITDA growth and OCF, with strong cost management and margin protection despite tough market conditions.
- **Customer centricity** is key, with ongoing pressure to increase Cemex Go digital adoption – target now set at 50% rather than 80%.
  - NPS customer surveys continue but may be reduced to once a year as the team has a good understanding of customer sentiment.
  - Continued push for new products to meet customer needs.
- **FIA** target for recycled aggregates in concrete (10%) is challenging; focus remains on doing this where it makes sense.
  - Active lobbying via the MPA, key topics – landfill tax and cement and concrete demand being at historic lows.



### 2025 performance:

The total UK Materials business is forecast to deliver Operating Cash Flow (OCF) and EBIT below budget for 2025, reflecting ongoing market challenges. While cost control has been exceptional across all businesses, weak market demand and pricing pressures continue to impact performance. The business has responded with strong margin management, postponement of non-essential spend, and a focus on operational efficiency.

### Aggregates (including Marine)

- Anticipated to be close to budget for OCF and above budget for EBIT
- Volume: Slightly above budget, but this is largely due to high levels of Marine external sales, which come at lower prices.
- Price: Remains under significant pressure in a challenging market.
- Margins: Maintained through robust cost control.
- Other OCF good but includes one-off sales such as the Westmill void/restoration sale.

### Readymix (including Procon)

- Forecast to be below budget for OCF and EBIT
- Volume: Below budget, primarily driven by low demand especially in London; Home Counties and Southwest have outperformed budget.
- Price: The biggest challenge, with considerable pressure in all markets.
- Cost Control: Exceptional across all areas, helping to mitigate the impact of lower volumes and prices.

### Asphalt

- Forecast to be below budget for OCF and EBIT
- Volume: Down versus budget and versus 2024, with the market at a ten-year low.
- Price: Under pressure in all markets.
- Costs: Lower bitumen and energy costs have helped offset price and volume declines.
- Fixed Costs & SG&A: Overall below budget.

### Dry Silo Mortar (DSM)

- Full year performance anticipated to be good, above budget for OCF and EBIT
- Volume: ahead of budget and ahead of 2024, though a slowdown was observed in July.
- Specialist Solutions: Volumes are 40% below budget due to project delays.
- Cost Control: Good, with lower energy costs supporting performance.

### Building Products

- Forecast to be below budget for OCF and EBIT
- Volumes v budget: Mixed performance:
  - Bearers: down
  - Sleepers: down
  - Concrete Products (CP): up
  - Floors: up
- Prices: In line for Rail, but down for Floors and for CP.
- Logistics: Variance due to IFRS change mid-year in CP.

- Cost Control: Good across all businesses.
- Other OCF: Improved in Floors.

### Key Drivers and Context

- Market demand remains weak, with concrete sales volumes at historic lows not seen since 1963.
- Price competition is intense, but cost management and operational discipline have helped protect margins.
- Energy and raw material costs have been lower than expected, providing some relief.
- The business continues to focus on efficiency, postponing discretionary spend and optimising operations to navigate the downturn.

### Looking ahead:

- **Health & Safety** always a core priority, with a focus on creating a safer environment through genuine care for ourselves and each other.
- The new organisational structure needs time to settle, with teams adapting to **new ways of working**, new leadership, and resolving any ambiguities.
- **Continued leadership** in transformation, empowering local teams to drive operational excellence and set out the vision under our new CEO, who has doubled the value of the business since taking on the role.
- **Customer service** will centre on building strong partnerships, digital solutions will be made available to customers so supporting their growth.
- **Excellent cost control** has been achieved so far in 2025, and maintaining this discipline will be crucial as we move into 2026.
- **Market demand** in the UK construction industry is at a historic low, with concrete sales volumes at their lowest since 1963 – however, there is optimism that recovery will follow.
- Key **CapEx** initiatives are ongoing, including the Swindon DSM and Buxton Block Plant upgrades, as well as projects at Shepperton Quarry and Leeds Readymix.
- The business is mindful of potential distractions caused by ongoing changes and is committed to supporting teams through the transition.

## Cement Operations and Commercial

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Phil provided a comprehensive update about performance and activity across Cement Operations and Cement Commercial over the past 12 months, which focussed on health & safety initiatives, improvements at Tilbury, Kensworth and Southam, and sustainability.

### Health & Safety

- 1 LTI at Rugby YTD
- 4 yrs LTI free at Tilbury
- 16 yrs LTI free at Kensworth Quarry
- 21 yrs LTI free at Southam Quarry
- 11 yrs LTI free for Inbound Logistics

A standout achievement in Health & Safety this year was the two-day prostate cancer screening held at Rugby Cement Plant in July. Fully funded by Cemex, this initiative offered male employees the opportunity to take a voluntary blood test for early detection of prostate cancer. Over the course of the event, 88 men were tested, with confidential results provided soon after.

Nine colleagues were advised to have a follow-up test and one was recommended to seek urgent advice from their GP. The screening was extremely well received by plant employees, and plans are now in place to make this an annual event going forward.

Phil also talked through a new initiative launched at Rugby; 'Making the Invisible - VISIBLE', which was adapted from a similar successful programme in Spain:



- The initiative involves dedicated teams working through the plant to proactively identify and resolve hidden hazards that could pose health and safety risks.
- As part of these activities, interactive safety briefings are held to discuss different H&S topics. 20 different topics developed, including:
  - Hot Work (welding, grinding, hot materials, hot processes)
  - Housekeeping
  - Lift Equipment
  - Risk of Gravity (falling objects, dropped tools, etc.)
  - Safe Driving (on-site vehicles, mobile plant)
- This fundamentally different approach has already led to the identification and resolution of over 200 issues, driving a step change in site safety and risk management.

Finally, Phil reflected on a further recent Health & Safety initiative this year; the introduction of daily Safety Briefings:

- Daily interactive safety briefings held to discuss workplace hazards.
- Twenty different topics developed, including:
  - Hot Work (welding, grinding, hot materials, hot processes)
  - Housekeeping
  - Lifting Equipment
  - Risk of Gravity (falling objects, dropped tools, etc.)
  - Safe Driving (on-site vehicles, mobile plant)
- Briefings encourage open conversation and regular checks of understanding throughout the week.
- Initiative ran intensively for 4–5 weeks.
- A workshop is planned to determine how best to embed this approach across the business.
- Represents a new, engaging way to reinforce key safety messages and practices.

### Future in Action:

- Work towards decarbonated cement remains a key priority for the business.



- Team currently testing a new alternative main burner fuel, a milled pellet. Results are promising so far
- Major erosion to the Climafuel bucket elevators has required replacement of all buckets and fixings after just 2.5 years

### **Other activity:**

- Our new regional president, José Antonio Cabrera visiting Tilbury in July, where he was impressed by the team's attention to detail in support of H&S
- Work is underway at Rugby to complete vehicle and pedestrian segregation throughout the plant.
- Improvements have been made to the office and operational areas at Tilbury
- New compressors installed at Kensworth – whilst improving plant standards and reliability, these upgrades offer significant energy savings.

### **Looking forward:**

- Big proposed upgrade at Tilbury, with shed next to existing site being acquired by Cemex. This additional storage area will allow increased inventory holding of clinker/future Cementitious materials and thereby improve the supply chain resilience for our customers.

## **Human Resources**

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The final session of the day was an HR update, led by Steph, focused on the current reorganisation, which is a key element of the company-wide transformation initiated by our new CEO, Jaime Maguiro.

The transformation involves more than organisational restructuring; cost containment (including Spending Smarter), investment optimisation and operational excellence are also key aspects of how the Company is positioning itself for long-term competitiveness.

The reorganisation is not about how we do more with less people; we need to redefine what is essential and adapt our ways of working to fit a leaner organisation. The personnel cost reduction target is \$57.2m for the region, which equates to slightly more than a 25% reduction in Opex personnel costs against annual budget. Around 120 positions will be removed from the UK organisation structure. These are a combination of closing vacancies and unfortunately, making redundancies.

The restructure has impacted all levels, including VPs and Directors, and this has understandably been an unsettling time for people. Steph outlined the process of how we have collectively and individually consulted with those affected and talked about the important role that the elected representatives have played during collective consultation in representing their affected colleagues. Collective consultation can sometimes feel like a protracted process, but it plays a big part in checking that the proposed changes are the right ones for the business and in making sure that feedback and the questions raised are carefully considered. In fact, several roles have been retained, directly because of this feedback and review.

The HR team continues to support colleagues through these changes to ensure they settle into the new organisation structure and that those leaving the business are treated sensitively and fairly.

### 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.

### Close

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Lex closed the day by thanking everyone for their contribution; both on the day and behind the scenes; acknowledging the work that is done to prepare for the Forum and gather questions from employees in advance. He also thanked everyone for their positivity, and for the opportunity to have an open and in-depth conversation about such important topics.

### 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.

