

CEMEX

ISIN CODE: MXP225611567

Overall score 51/100

Sector: Building Materials
Emerging Market

Companies in sector panel: 21

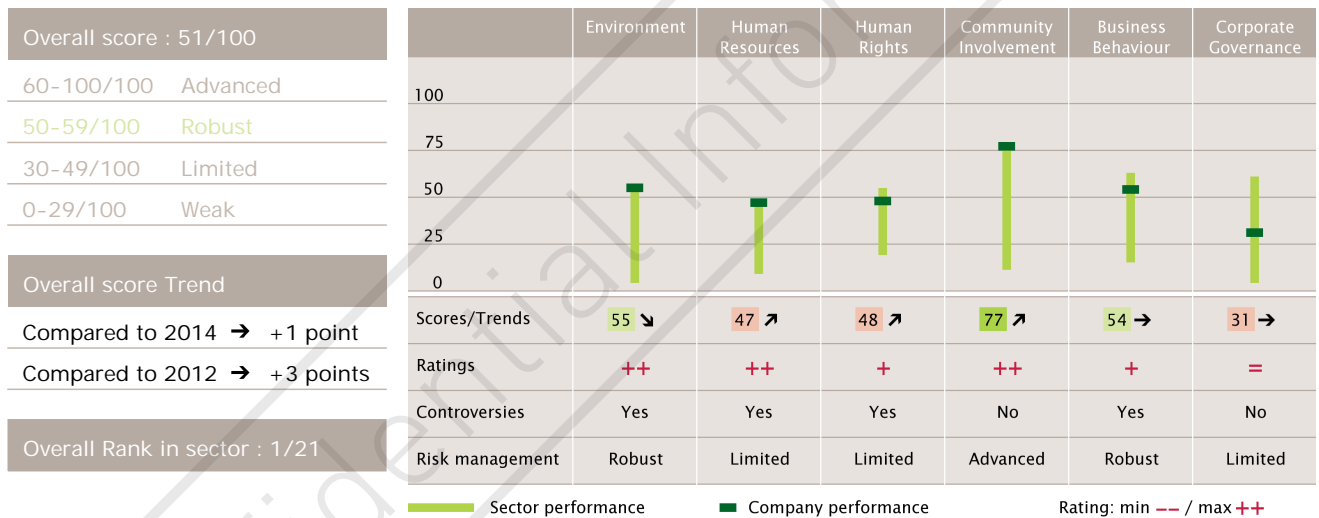
Information rate: 84% (Sector average: 55%)
Company cooperation level: Partially responsive *

General information

CEMEX is a Mexican company principally engaged in cement manufacturing. The Company produces, distributes and sells cement, clinker, ready-mix concrete, aggregates and related building materials in more than 50 countries worldwide. CEMEX (via its wholly owned subsidiary - CEMEX ESPAÑA S.A.) owns slightly more than 73% of CEMEX Latam Holdings ("CLH").

Main Economic Segment**	Turnover 2014
Cement	48.0 %
Concrete	37.0 %
Aggregates	15.0 %

Overall CSR performance & trends



- Cemex's overall management of CSR challenges is considered to be robust (51/100) in absolute terms. The overall score has slightly increased compared to the last review (50/100).
- Cemex's approach to tackle its ESG impacts is heterogeneous. The Company shows a robust performance in the Environmental and Social pillars, and a limited performance in the Corporate Governance pillar.
- As of 2015/12/16, CEMEX faces frequent controversies. Given their severity and frequency and considering CEMEX responsiveness, the issuer's ability to mitigate controversy risks is considered as weak.

Company inclusion in Vigeo Indices***



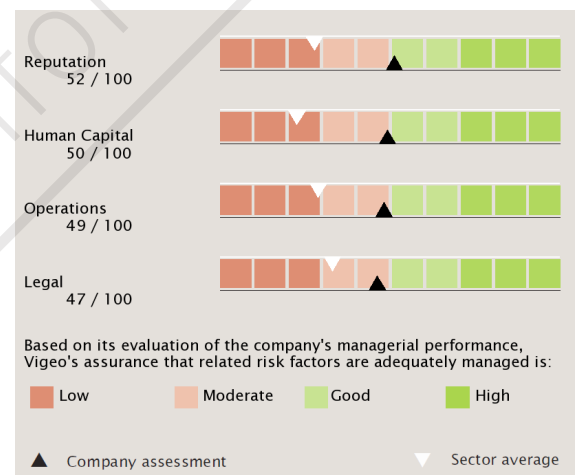
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* On a 4-level scale: proactive, responsive, partially responsive, not responsive
 ** See detailed economic indicators in Selected financial data section
 *** Based on the most recent Index at the date of publication

Management of Risks and Opportunities






Weight of the Sustainability drivers	Weaknesses		Strengths	
	3	<ul style="list-style-type: none"> Transportation 	<ul style="list-style-type: none"> Health and safety Local pollution Reorganisation Anti-competitive practices Board of Directors 	<ul style="list-style-type: none"> Atmospheric emissions Product Safety
2	<ul style="list-style-type: none"> Shareholders Executive Remuneration 	<ul style="list-style-type: none"> Fundamental human rights 	<ul style="list-style-type: none"> Social standards in the supply chain Fundamental labour rights 	<ul style="list-style-type: none"> Audit & Internal Controls Non-discrimination and diversity
1		<ul style="list-style-type: none"> Career management 		<ul style="list-style-type: none"> General interest causes
	Weak 0 to 29 points	Limited 30 to 49 points	Robust 50 to 59 points	Advanced 60 to 100 points

- Thanks to the allocation of comprehensive measures, the Company demonstrates an advanced performance as regards to **social and economic development**, which is of critical importance for the sector. Indeed, the building materials sector can foster the development of local businesses, train and employ socially disadvantaged people, and generally contribute to social development initiatives.
- Environmental strategy** is another major strength for CEMEX. In fact, industrialized countries are historically responsible for the bulk of greenhouse gas emissions. However, meaningful reductions in emissions today can only be achieved through an approach that includes emerging markets. CEMEX, as a building materials Company, has set up crucial targets for environmental protection for 2020 and has gained ISO certifications for all its sites, the fact that can only prove the importance the Company allocates to environment.
- As a related point, **energy** is considered as well another positive area for CEMEX. The Company is working on production of energy from waste and alternative fuels to fuel cement facilities and reduce its overall carbon footprint. As a matter of fact, saving energy means alot. It can save the Company's money, reduce greenhouse gas emissions, reduce air pollution, and save water. Important facts that CEMEX are very aware of and implements wisely.
- Creating a safe working environment is critical to the success of any business, and is one of the best ways to retain staff and maximise productivity. Though it may cost to implement safe practices and install safety equipment, the effect of not taking action can be severe. **Health and safety** is considered a major issue for the Building Materials sector, with frequent risks during the production processes. CEMEX only displays a limited score in this area, mainly because the Company has faced recurrent allegations by paying fines for the non-respect of health and safety norms. Although safety indicators have been on a decreasing trend over the past three years, CEMEX can enhance its human capital cohesion and attractiveness by implementing more appropriate means to address this critical issue.
- Anti-competitive Practices** is an area of weakness for CEMEX. Although the Company has committed to prevent anti-competitive practices via formal training programmes, CEMEX has to work more on implementing significant measures and disclosing related quantitative data. The Company has faced recurrent allegations in the last few years that may expose CEMEX to increased legal risks, which consequently may lead to activities that break the competition law.





* We consider legal security as an element of a company's tangible or intangible assets. We define legal risk as the potential impact - negative or positive - on these assets, considering the management of CSR issues possibly involving the company's legal responsibility. Under no circumstances should our opinion be construed as a due diligence or an assurance in the meaning of regulations such as, for instance, the Sarbanes-Oxley Act in the USA or the Loi de Sécurité Financière in France

Company performance in all the Sustainability Drivers

Weight of the Sustainability driver		Overall score 51/100		Trend	Score
		Environment		↘	55
ENV1.1	3	Environmental strategy		↗	71
ENV1.4	3	Biodiversity		↗	66
ENV2.1	1	Water			N/R
ENV2.2	3	Energy		→	64
ENV2.4	3	Atmospheric emissions		↗	59
ENV2.6	3	Local pollution		↘	48 
ENV2.7	3	Transportation		↗	10
ENV3.1	3	Use and disposal of products		↘	70
		Human resources		↗	47
HRS1.1	1	Social dialogue			N/R
HRS2.3	3	Reorganisation		↗	46
HRS2.4	1	Career management		→	44
HRS3.2	3	Health and safety		↘	49 
		Human rights		↗	48 
HRT1.1	2	Fundamental human rights		↗	32 
HRT2.1	2	Fundamental labour rights		→	51
HRT2.4	2	Non-discrimination and diversity		→	62
		Community involvement		↗	77
CIN1.1	3	Social and economic development		↗	78
CIN2.2	1	General interest causes		→	72
		Business behaviour (c&s)		→	54
C&S1.1	3	Product Safety		→	52
C&S2.4	2	Social standards in the supply chain		→	55
C&S3.1	3	Corruption		↘	68
C&S3.2	3	Anti-competitive practices		→	42 
		Corporate governance		→	31
CGV1.1	3	Board of Directors		↗	37
CGV2.1	2	Audit & Internal Controls		→	64
CGV3.1	2	Shareholders		→	22
CGV4.1	2	Executive Remuneration		→	0

 **Weak** (0-29/100)  **Limited** (30-49/100)  **Robust** (50-59/100)  **Advanced** (60-100/100)

 **Involvement in allegations**  **Involvement in allegations with evidence of corrective measures**

N/R means that this Sustainability Driver is not analysed for this Company

Selected financial data

Key data	Net Sales	EBIT	Employees
2014	MXN 210,023m	MXN 17,055m	44,241
2013	MXN 195,661m	MXN 14,601m	43,087
2012	MXN 197,036m	MXN 11,511m	43,905
2011	MXN 189,887m	MXN 11,862m	44,104
2010	MXN 177,641m	MXN 10,736m	46,533

Main shareholders	2015
The Vanguard Group, Inc.	2.7 %

Geographical breakdown	Net Sales 2014	Employees 2014
United States	23.4 %	nd
Mexico	19.6 %	nd
United Kingdom	8.1 %	nd
Rest of South America & the Caribbean	6.9 %	nd
Other	42 %	nd

All Economic Segments	Turnover 2014
Cement	48.0 %
Concrete	37.0 %
Aggregates	15.0 %

Selected ESG Indicators

	2014
Non-executive Board member(s) responsible for CSR issues	No
Executive remuneration linked to CSR performance	No
3-year energy consumption trend (normalized to turnover)	↑
Percentage of independent Board members	38.4
Percentage of women on Board	0
Percentage of women in Executive team	0
Percentage of women in workforce	12
3 year trend for safety at work	↑
Involvement in armament	No
Management of social risks in supply chain	Robust

Involvement in disputable activities: summary

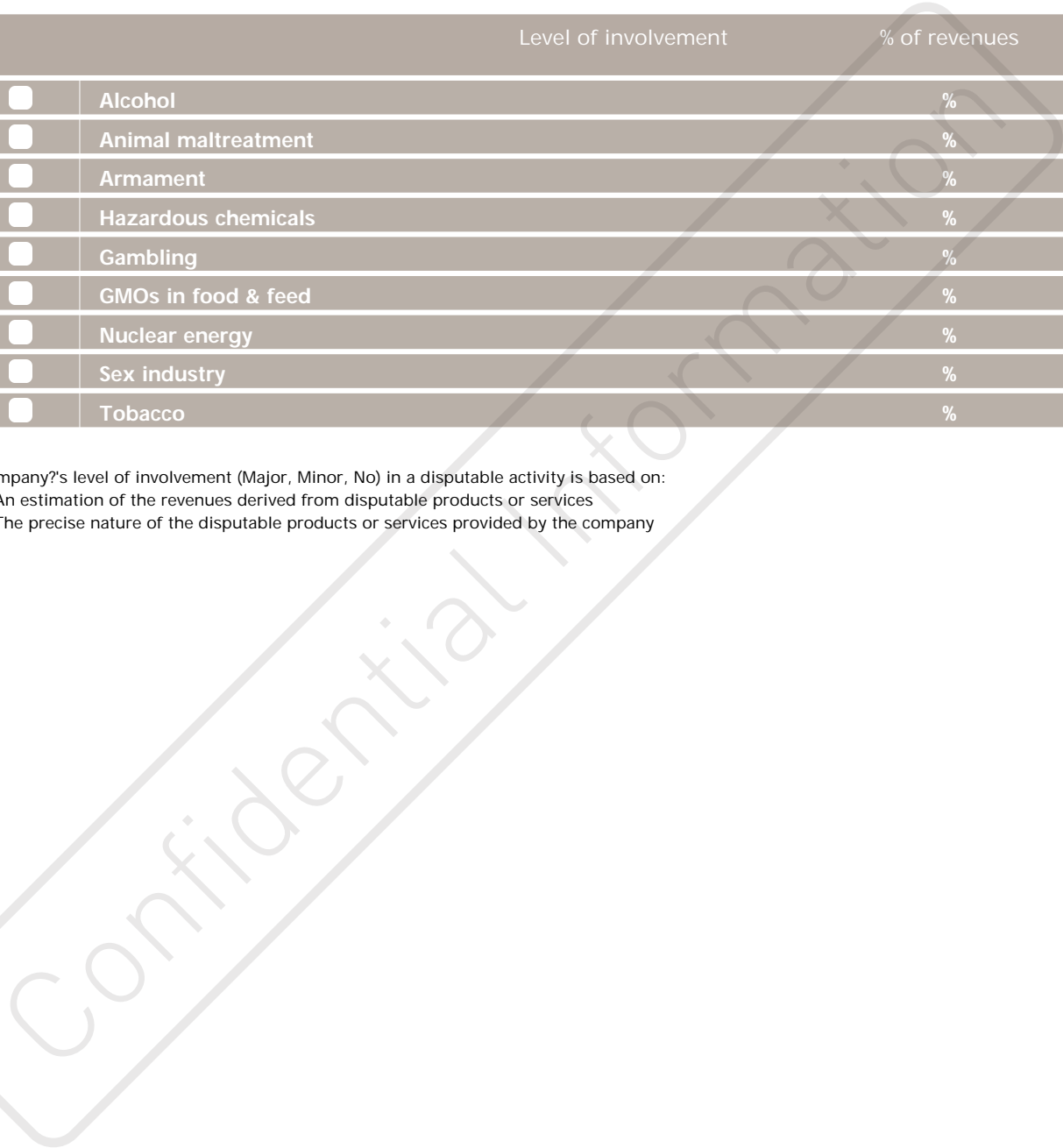
This section is dedicated to disputable activities in which the company is involved. 9 disputable activities are analyzed (see list below) following 30 parameters. Additional analysis and full database access are available as an option.

For more information please contact us at customer.service@vigeo.com

	Level of involvement	% of revenues
<input type="checkbox"/>	Alcohol	%
<input type="checkbox"/>	Animal maltreatment	%
<input type="checkbox"/>	Armament	%
<input type="checkbox"/>	Hazardous chemicals	%
<input type="checkbox"/>	Gambling	%
<input type="checkbox"/>	GMOs in food & feed	%
<input type="checkbox"/>	Nuclear energy	%
<input type="checkbox"/>	Sex industry	%
<input type="checkbox"/>	Tobacco	%

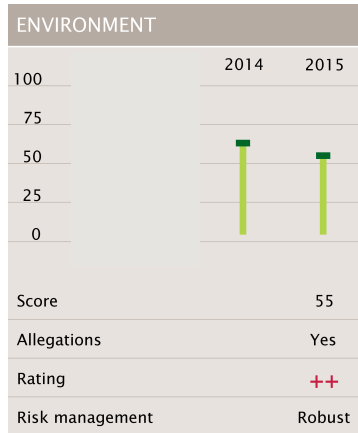
A company's level of involvement (Major, Minor, No) in a disputable activity is based on:

- An estimation of the revenues derived from disputable products or services
- The precise nature of the disputable products or services provided by the company



CSR performance per domain

■ Sector performance
■ Company performance
 Rating: min -- / max ++



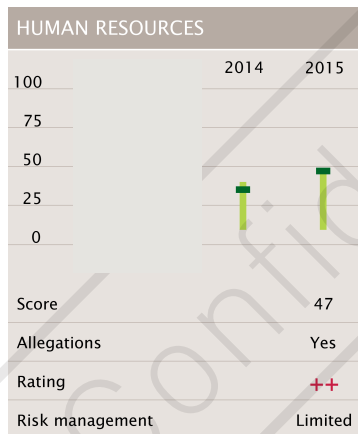
Key issues

Since they require very high temperature, the cement, plaster, ceramic and glass production processes are well-known as energy intensive and high CO2 emitters, so that companies have important financial and environmental reason to reduce those impacts as much as possible (ENV 2.2). The Building Materials industry is also highly concerned by dust and noise emissions (ENV 2.6), since most extraction and production process release dust in the atmosphere and generate noise and vibration (e.g. blasting, loading, transport, crushing). The impact of dust and noise emissions mainly have health and safety impact for both people living in proximity of quarries and other production sites as well as for employees working within these facilities.

On a more downstream point of view, the Building Material sector has an important role to play in product innovation in order to improve environmental performance of buildings. It is therefore very important to address the ways companies in the sector seek to develop more environmentally friendly building materials for their various customers (ENV 3.1).

Company performance

- The Company's performance in the Environment domain is robust in absolute terms.
- The domain's score has decreased by 8 points compared to the previous review.
- The Company has fully formalised commitments on environmental protection backed by quantified targets to increase alternative fuel substitution and to reduce atmospheric emissions. The Corporate Biodiversity Policy is fully integrated into the business model in all countries and operations as well ISO 14001 certification. The Company conducts occasional life-cycle analyses of its products and set targets to be achieved by 2020.
- CEMEX has faced a condemnation related to pollution on which it reports transparently.



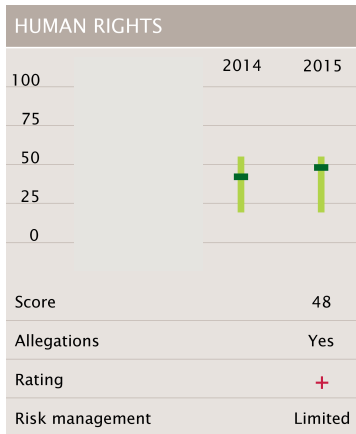
Key issues

Health and Safety (HRS 3.2) has been identified as a major issue for the Building Materials sector, with high risks at production process, especially for subcontracted employees. Indeed, workers are exposed to physical risks that are common in heavy industries. In addition, they are also exposed to many harmful substances (such as solvents) and to fine dust such as crystalline silica. Together with noise, both elements (gaseous compounds and dust) may generate occupational diseases. Besides, the construction industry was one of the first to suffer the effects of the global financial and economic crisis. This has an influence on companies in the Building Materials sector, which are major suppliers of the construction sector, leading to capacity adjustments and reorganisations (HRS 2.3). The related measures included plant shutdowns and a corresponding reduction in the number of employees.

Company performance

- The Company's performance in the Human Resources domain is limited in absolute terms.
- The domain's score has increased by 12 points compared to the previous review.
- The Company has allocated significant measures to limit the impacts of reorganisations through financial compensation and relocation. The Company has set up an internal job opportunity marketplace and has formalised the skill requirements for the various job positions to promote career management. In addition, CEMEX has committed to health and safety and to provide training about stress management. The Company has applied its H&S system in 99% of its sites.

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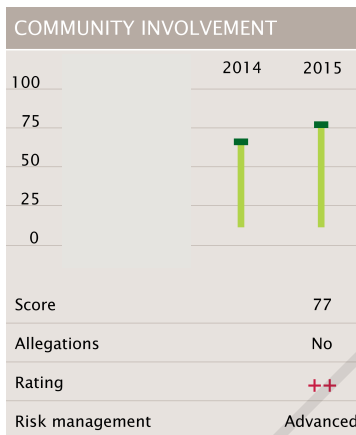


Key issues

The increasing internationalization of building materials companies, notably in countries with sensitive labour rights at stake such as China, exposes such companies to complicity in labour rights violations (HRT2.1). Companies that exploit quarries should also take into consideration fundamental human rights related to land property and indigenous communities and put in place adequate measures (such as grievance mechanisms, compensation plans, etc). (HRT 1.1)

Company performance

- The Company's performance in the Human Rights domain is limited in absolute terms.
- The domain's score has remained stable compared to the previous review.
- CEMEX has issued a formalised commitment to respect and promote human rights in society, to respect freedom of association and the right to collective bargaining, and to prevent discrimination. The Company monitors the freedom of association through a systematic risk mapping and provides employees with trade union rights. To prevent discrimination, the Company has set up training and awareness raising and monitors quantitative data regarding this issue.
- CEMEX has faced an allegation related to human rights on which it reports transparently.

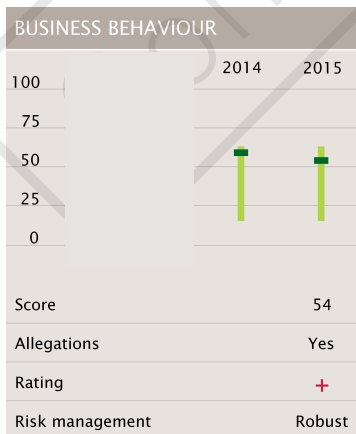


Key issues

The building materials sector can foster the creation/development of local businesses, and train and employ socially disadvantaged people (long-term unemployed people, young with no educational background,...). Companies with quarrying activities (and related production plants) in remote areas can contribute to social and economic development of communities through taxes but also through investments such as provision of local infrastructure, training and other support. However, new quarries and plant production opening as well as closure of production sites can lead to social and economic damages when major community development' stakes are not well identified and investments not carefully planned.

Company performance

- The Company's performance in the Community Involvement is advanced in absolute terms.
- The domain's score has increased by 11 points compared to the previous review.
- CEMEX is committed to promote social and economic development via promoting the creation and the development of local businesses, the employment and training of local personnel, and optimising the impact of operations on the local economy. The Company's indicators on social and economic development have shown improvement continuously over the past three years. In addition, the Company has committed to supporting general interest causes and has allocated resources for that.



Key issues

The Building Materials sector is highly concentrated, notably in the cement and plaster industry. Sector consolidation has given companies more control over market conditions by reducing competition and exerting greater control over prices. It is therefore important to ensure that no monopolies and abuse of dominant positions are taking over and that all players are given equal and transparent access to markets (C&S 3.2). Besides, building materials contain substances that may be harmful during implementation or use of buildings. Therefore it is important to assess initiatives by companies to manage product safety risks (C&S 1.1).

Company performance

- The Company's performance in the Business Behaviour domain is robust in absolute terms.
- The domain's score has been stable compared to the previous review.
- The Company issues a formalised commitment to include social factors in supply chain management, prevent anti-competitive practices and corruption. The Company has set up many measures to include social factors in supply chain management. Concerning corruption, the measures implemented cover all significant parts of the Company. CEMEX has committed as well to product safety and addresses the main relevant issues to manage it.
- CEMEX has faced an allegation related to the prevention of anti-competitive practices on which it reports transparently.

CORPORATE GOVERNANCE		
	2014	2015
100		
75		
50		
25		
0		
Score		31
Allegations		No
Rating		=
Risk management		Limited

Key issues

Corporate governance is critical to ensuring that a well functioning system of checks and balances protects the interests of all of the company's stakeholders. The effectiveness of the Board of Directors is a key issue to be addressed: this can be gleaned from information on Board composition (independence and competencies) and its way of functioning (regularity of Board meetings, evaluation of performance). Other important corporate governance factors include the effectiveness of the Audit and Internal control system, the protection of Shareholders Rights and the establishment of Executive Remunerations which align executives' and company's interests.

Company performance

- The Company's performance in the Corporate Governance domain is limited in absolute terms.
- The domain's score has been stable compared to the previous review.
- CEMEX has a low level of independent Board members, restrictions on shareholders rights and lack of information to most of the issues related to 'Executive remuneration'. As an exception, the Company's control system covers financial, operational, legal, and CSR risks; and a confidential reporting system is in place for accounting issues. CEMEX's Audit Committee has also a comprehensive role and its external audit firm received relatively small amount in non-audit fees, which stands at 19.8%.

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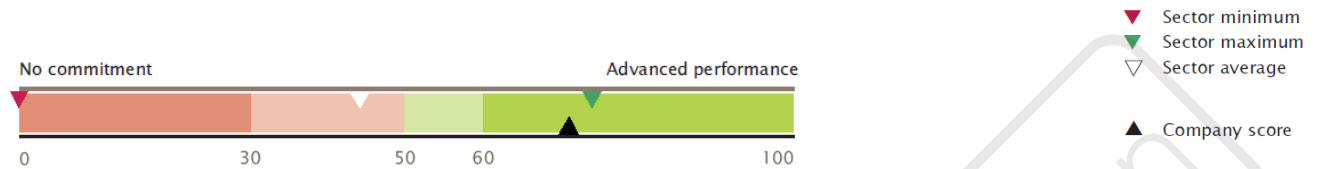
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Environment

Score : 55

ENV1.1 Environmental strategy and eco-design

(score: 71, weight: 3)



Visibility of commitment to environmental issues

The company has issued a formalised commitment environmental protection in its Code of Ethics, and sets specific targets in this regard for 2020.

- 25% reduction in CO₂ per ton of cementitious product from 1990 baseline
- 100% of clinker produced with continuous monitoring of major emissions
- more or equal of 50% reduction in Dust emissions per ton of clinker from 2005 baseline
- more or equal of 30% reduction in NO_x emissions per ton of clinker from 2005 baseline
- more or equal of 20% reduction in SO_x emissions per ton of clinker from 2005 baseline

Relevance of environmental strategy

The company commits to most of its responsibilities in terms of environmental protection:

- Eco-design
- Protection of biodiversity
- Minimising environmental impacts from energy use
- Management of atmospheric emissions
- Management of local pollution
- Management of environmental impacts from transportation
- Management of environmental impacts from the use of products/services

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Environmental Management System

The company has allocated resources to environmental management, including training or monitoring.
In 2014, all CEMEX sites received ISO 14001 certification.

Coverage of certified environmental management systems

The share of the company's sites that have a certified environmental management system in 2014 is 74%. Of note, 74% of CEMEX Sites have implemented at least one EMS which is compatible with similar standards such as ISO14001 and the EU Eco-Management and Audit Scheme (EMAS).

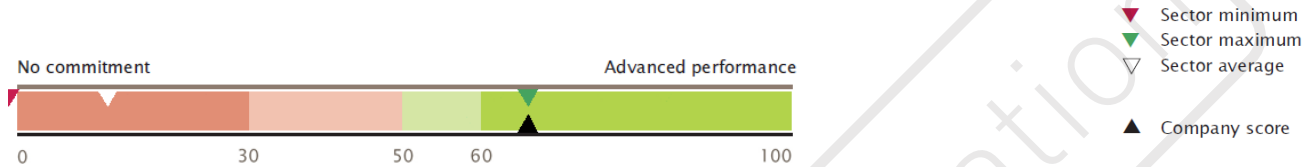
Life cycle Analysis

The company conducts occasional life-cycle analyses of its products.
CEMEX continued to support life cycle and cost analyses by the Massachusetts Institute of Technology (MIT) Concrete Sustainability Hub (CSH) in its effort to understand the environmental footprint of its concrete products and how they can help improve the affordability and sustainability of infrastructure projects.

Leadership	86	Implementation	55	Results	N/A
Visibility	100	Means & resources	30	Performance	N/A
Relevance	100	Scope	N/A	Trends	N/A
Ownership	30	Coverage	71		

ENV1.4 Protection of biodiversity

(score: 66, weight: 3)



Relevance of commitment to biodiversity protection.

The company's commitment towards biodiversity protection only addresses one of the relevant impacts of its activities:
- loss, degradation or fragmentation of ecosystems and habitats.

Ownership of commitment on biodiversity

The commitment applies throughout the company, supported by senior management.

Managerial tools allocated to biodiversity protection

The company has implemented most relevant measures to integrate biodiversity in the management of its operations, including:

- Environmental impact assessments: The company has established Biodiversity Action Plans (BAPs) which are tools for achieving a net positive impact on biodiversity.
- Relevant biodiversity management guidelines: The company has developed a booklet for Developing and implementing National Biodiversity Strategies and Action Plans.
- Monitoring of biodiversity indicators: The company reports that BAPs (Biodiversity Action Plan) are actively implemented in 100% of active quarries with high biodiversity.

Local measures taken to protect biodiversity on operation sites

The company has implemented some relevant measures to reduce the impacts of its operations on biodiversity, including:

- Creation of new habitats, buffer areas for relocation of disturbed species: CEMEX has established 'El Carmen' a private transboundary conservation area in Mexico which is one of the most important biodiversity hotspots and ecosystems in the world.
- Land rehabilitation programmes during and after operations: The company has developed a quarry rehabilitation, biodiversity preservation and ecosystems management. Most of CEMEX active quarries have a rehabilitation plan in place.

Coverage of means allocated to biodiversity protection

The company has taken such measures throughout the company.
The Corporate Biodiversity Policy is fully integrated into the business model in all countries and operations.

Results with regard to biodiversity protection

Indicators on biodiversity are published and are on a positive trend
The rate of active sites with high biodiversity value where Biodiversity Action Plans are actively implemented have been increasing over the last three years from 41% in 2012 to 55% in 2014.

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	30	Implementation	86	Results	81
Visibility	N/A	Means & resources	81	Performance	65
Relevance	30	Scope	N/A	Trends	100
Ownership	30	Coverage	100		

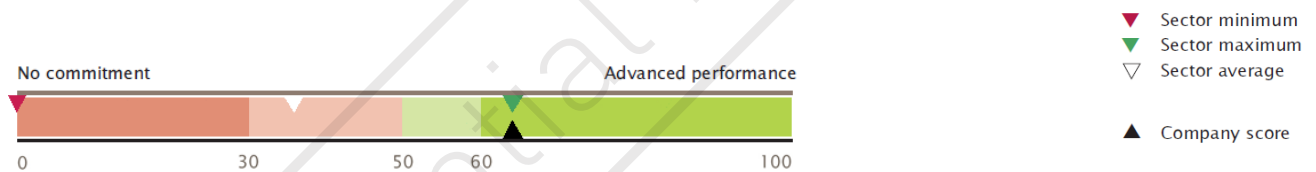
ENV2.1 Protection of water resources

(deactivated)

This Sustainability Driver is only analysed for large Companies in the Building Materials Emerging Market sector: it is therefore not analysed for the company.

ENV2.2 Minimising environmental impacts from energy use

(score: 64, weight: 3)



Relevance of the company's commitment in terms of reducing its energy consumption.

The company's commitment to reduce its energy consumption is general.
CEMEX is pursuing a goal to reach an alternative fuel substitution rate of 35% by 2020 from its 2013 performance.

Relevance of the company's commitment in terms of reducing its GHG emissions.

The company has set quantified targets with regard to its GHG emissions, and these cover the entire group.
The company targets to reduce 25% in CO2 per ton of cementitious product from 1990 baseline for 2020.

Means allocated.

The company works to optimize its production processes, in order to reduce its energy consumption and its GHG emissions. The company is working on production of energy from waste and alternative fuels to fuel cement facilities and reduce its overall carbon footprint. Waste diverted from landfill disposal for energy recovery include: Used tires, Spent solvents and waste oils, Processed municipal solid waste, Household waste and Sewage sludge. In 2014 94 % of the company's active cement plants consumed alternative fuels, nine of them have surpassed a 50 % alternative fuel rate and five exceeded 65%.

Coverage

The company has taken such measures all over the production. The CO2 reduction strategy covers all sites where Cemex operates. Of note, 94% of the company's plants are already using alternative fuels.

Energy consumption

The company's energy consumption, normalised to production, has decreased but not continuously over the past five years by 14% from 345 (MWh/M MXN) in 2010 to 295(MWh/M MXN) in 2014.

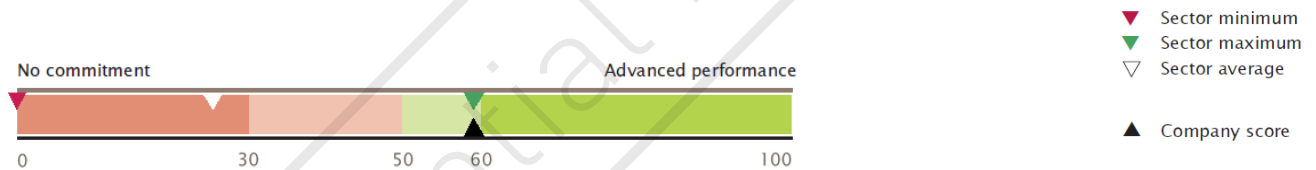
GHG emissions (direct AND indirect*, + from the process, when applicable)

The company's GHG emissions (direct and indirect), normalised to production, have decreased but not continuously over the past five years by 84% from 244 (t/M MXN) in 2010 to 38 (t/M MXN) in 2014.

Leadership	48	Implementation	79	Results	65
Visibility	N/A	Means & resources	65	Performance	65
Relevance	48	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	100		

ENV2.4 Management of atmospheric emissions

(score: 59, weight: 3)



Relevance of the company's commitment in terms of reducing its atmospheric emissions.

The company has set quantified targets with regard to its atmospheric emissions, and these cover the entire group.
CEMEX targets to reduce more than 30% of its NOX emissions (g/ton clinker) and more than 20% of its SOX emissions (g/ton clinker) by the year 2020 compared to its 2005 baselines.

Means allocated

The company works to optimize its production processes to reduce its atmospheric emissions.
In 2014, the company invested USD 85 million in sustainability-related projects at all its sites around the globe, with more than 20 initiatives for improving air emissions management performance. CEMEX participated in multi-stakeholder discussions to address the handling of dioxins and mercury emissions and aligned its emissions disclosures with the CSI reporting protocol.

Coverage

The company has taken such measures throughout the company.
In 2014, the company invested USD 85 million in sustainability-related projects at all its operations across the globe.

Volatile Organic Compounds (VOC) emissions

The company does not disclose quantitative data on VOC emissions.

Emission of substances responsible for acid rain (SOx, NOx, NH3, and volatile acids (such as HF, HCl, ...))

The company's emissions of substances responsible for acid rain, normalised to sales, have decreased but not continuously over the past five years by 18% from 316 (kg / M MXN) in 2012 to 257 (kg / M MXN) in 2014.

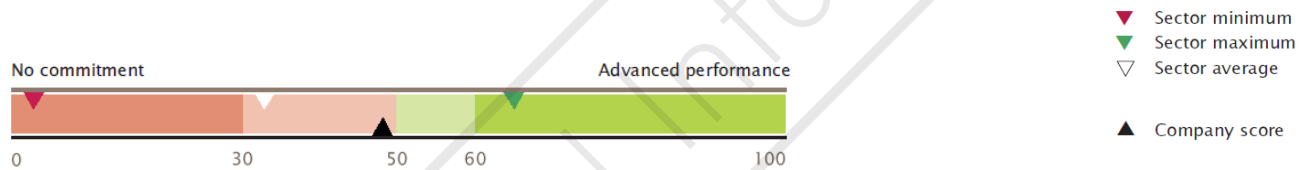
Persistent Organic Pollutant* (POP) emissions (dioxins and furans)

The company does not disclose quantitative data on Persistent Organic Pollutant emissions.

Leadership	65	Implementation	79	Results	33
Visibility	N/A	Means & resources	65	Performance	32
Relevance	65	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	100		

ENV2.6 Management of local pollution

(score: 48, weight: 3)



Relevance of the company's commitment to reducing its local pollution

The company's commitment relative to controlling its local pollution focuses on the main relevant nuisance sources of local pollution for the sector:
 - Noise/vibrations
 - Dust

Means allocated

The company works to optimize its production processes to reduce its local pollution.
 The company Launches ReadyBrick in the UK which is partially comprised of approximately 10% cement kiln dust, a material often sent to landfills, making it an environmentally friendly product in line with CEMEX's sustainability efforts.

Coverage

There is no evidence that the company has taken such measures in the majority of its sites.

Dust emissions (and related metal emissions into the air)

The company's dust emissions, normalised to sales, have increased but not continuously over the past three years by 40% from 19 (kg/M MXN) in 2012 to 26.5 (kg/M MXN) in 2014.

Stakeholders' feedback

The company has been condemned in the past 3 years. This condemnation was already mentioned in Vigeo's previous rating cycle.

1- In an article published in EPA.gov, in April 2013, the U.S. Department of Justice (DOJ) and the U.S. Environmental Protection Agency (EPA) announced that CEMEX, Inc, the owner and operator of a Portland cement manufacturing facility in Lyons, Colo., has agreed to pay a USD 1 million civil penalty to resolve alleged violations of the Clean Air Act (CAA).

2- CEMEX has reached an agreement in February 2011, with the U.S. Environmental Protection Agency and the U.S. Justice Department to pay a fine of USD 1.4 million for Clean Air Act violations at its cement plant in Fairborn, Ohio. In addition to the penalty, CEMEX will spend an estimated USD 2 million on pollution controls that will reduce harmful emissions of nitrogen oxides (NOx) and sulfur dioxide (SO2), pollutants that can lead to childhood asthma, acid rain, and smog.

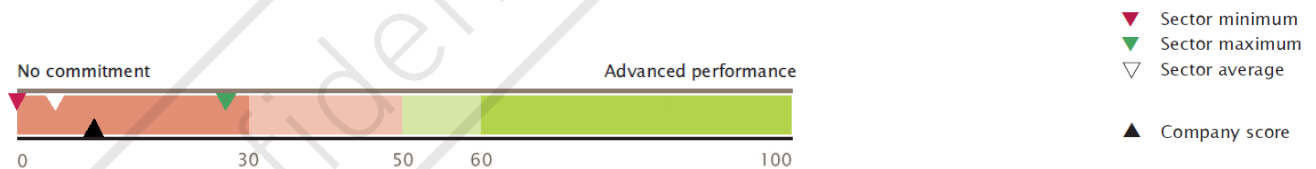
Company's responsiveness

1- CEMEX has agreed to operate advanced pollution controls on its kiln in addition to the financial settlement of this case.
2- The company reports transparently on the existence of these condemnations and in addition has taken corrective actions to address them. CEMEX disagrees with the characterization that there is danger to residents due to its activities at 3250 Linebaugh Road. But, it has agreed to spend about USD 2 million extra on measures to reduce emissions of nitrogen oxides and sulfur dioxide, pollutants the U.S. Environmental Protection Agency and the U.S. Justice Department said can lead to childhood asthma, acid rain and smog.

Leadership	65	Implementation	51	Results	29
Visibility	N/A	Means & resources	65	Performance	28
Relevance	65	Scope	N/A	Trends	N/A
Ownership	N/A	Coverage	30		

ENV2.7 Management of environmental impacts from transportation

(score: 10, weight: 3)



Relevance of the company's commitment with regard to the environmental impacts related to the transport of its products

The company's commitment to reduce the environmental impacts related to the transport of its products is general as no quantified targets have been disclosed.

Means allocated to minimising the environmental impacts

Information obtained from the company and public sources regarding means allocated to minimising the environmental impacts related to the transport of its products is insufficient.

Coverage

Energy consumption or CO2 emissions related to transportation

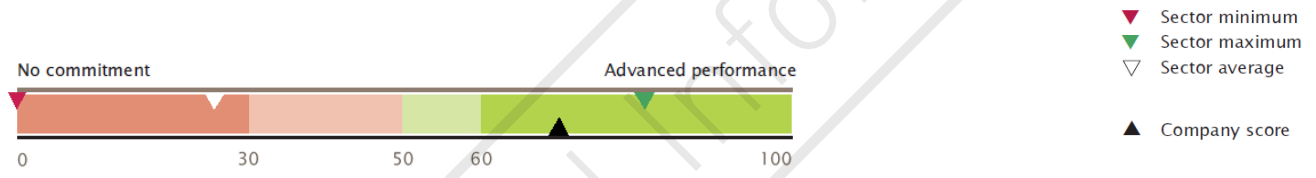
The company does not report energy consumption or CO2 emissions from transportation.

Trend in transport mix

The company does not report the breakdown of the different modes of transport uses internally.

Leadership	30	Implementation	0	Results	0
Visibility	N/A	Means & resources	0	Performance	0
Relevance	30	Scope	N/A	Trends	0
Ownership	N/A	Coverage	0		

ENV3.1 Management of environmental impacts from the use and disposal of products/services
(score: 70, weight: 3)



Relevance of commitments related to the use of products/services.

The company's commitment to limit impacts from the use of its products is general as no quantified targets have been disclosed.

Materiality of means on the use of products/services

Means set up by the company includes client information on the environmental impact of products. The company has developed a 'Lead in sustainable Construction tool', an initiative aimed at decreasing the environmental impact of its products in construction business. CEMEX is also participating in the WBCSD Urban Infrastructure Initiative (UII) in creating more sustainable infrastructure and building solutions Action Plans for three cities.

Coverage with regard to measures affecting the use of the product

The company has taken measures in a significant part of its product operations. The company has already reached its target of expanding coverage of 'Lead in sustainable Construction tools' to 100% of its productions.

Share of products/services sold for which the company can demonstrate an environmental benefit at the use phase

The share of products that helps reducing environmental impacts has increased significantly over the last five years by 40 percentage points from 60% in 2010 to 100% in 2014.

Leadership	30	Implementation	79	Results	100
Visibility	N/A	Means & resources	65	Performance	N/A
Relevance	30	Scope	N/A	Trends	100
Ownership	N/A	Coverage	100		

Human Resources

Score : 47

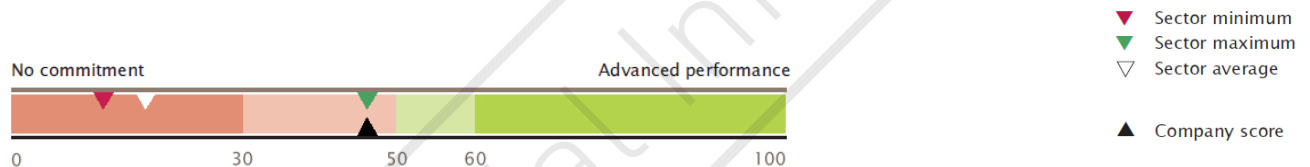
HRS1.1 Promotion of labour relations

(deactivated)

This Sustainability Driver is only analysed for large Companies in the Retail & Specialised Banks Emerging Market sector: it is therefore not analysed for the company.

HRS2.3 Responsible management of restructurings

(score: 46, weight: 3)



The company does not report information about employees' layoffs which occurred during the period under review.

Relevance of commitment to manage reorganisations responsibly

The company does not disclose any commitment to manage reorganisations responsibly.

Involvement with employee representatives

The company commits to negotiating with employee representatives on reorganisations.
On average the minimum days required by law or agreed with Unions is 30 days notice regarding organizational or operational changes, CEMEX provides an average notice period of 34 days.

Means allocated to prevent and manage reorganisations

The company has allocated significant measures to limit the impacts of reorganisations, following a conflict with employees:

- *Significant financial compensation: The company provides better severance package than the ones established by the law.*
- *Internal mobility programme: In some countries and at certain levels CEMEX supports with other services, such as headhunting (relocation).*

Coverage

Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

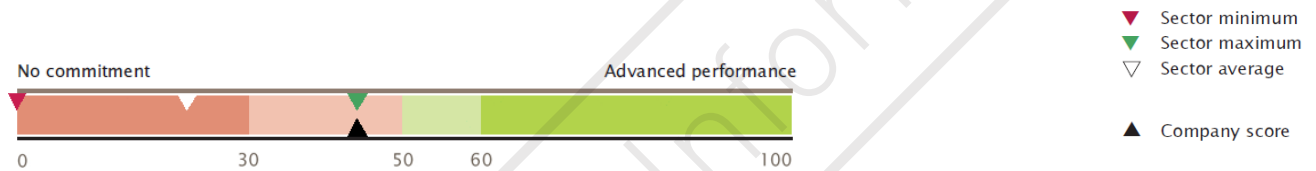
Result of the company's commitment to manage reorganisations responsibly

The company has been able to avoid layoffs since the company has seen no reorganisation in 2014.

Leadership	26	Implementation	48	Results	65
Visibility	N/A	Means & resources	30	Performance	65
Relevance	0	Scope	N/A	Trends	N/A
Ownership	65	Coverage	65		

HRS2.4 Career management and promotion of employability

(score: 44, weight: 1)



Visibility of commitment

The company has issued a largely publicised, formal commitment to promote career management and training which is publicly available in its Code of Ethics and Business Conduct.

Relevance of commitment

The company's commitment to promoting career management and training only addresses part of its responsibilities:

- Promote career development.
- Put in place a concerted career management framework, which is transparent and individualized.

Ownership of commitment

The Head of HR is part of the company's Board or Executive Committee. However line managers do not appear to be evaluated on their performance in terms of HR management.
Mr Luis Hernández Executive is CEMEX's Vice President for Organization and Human Resources.

Career management systems

The company has set up an internal job opportunity marketplace and has formalised the skill requirements for the various job positions. Moreover employees have regular performance assessment and career counselling interviews.

- CEMEX indicated that all employees are evaluated and expected to receive feedback regarding their performance and goals.
- CEMEX offers a Job Posting Program to give its employees opportunities to apply for open positions before or concurrent with the consideration of external candidates for employment.

Coverage of career management systems

These career management systems cover a majority of the company's employees.

In 2014, 91% of CEMEX's employees with access to the Performance Assessment Tool set goals, were evaluated and received feedback to promote continuous improvement. Moreover, a total of 2,294 employees were evaluated through Talent Review processes worldwide.

Types of training provided to non-managers

The training programmes are mostly aimed at adapting employees' skills to the requirements of their current position.

CEMEX targeted its training efforts on health and safety, human rights, ethics, compliance and environmental awareness.

Means allocated to training for all employees

The number of training hours, normalised with the total number of employees, has decreased continuously over the last three years by 46% from 0.44 (hrs/Nb) in 2012 to 0.24 (hrs/Nb) in 2014. Of note, this is related to training provided by operations.

Mobility / turnover

The employee turnover rate has increased but not continuously over the last five years by 0.9 percentage point from 6% in 2010 to 6.90% in 2014.

Coverage of training programmes

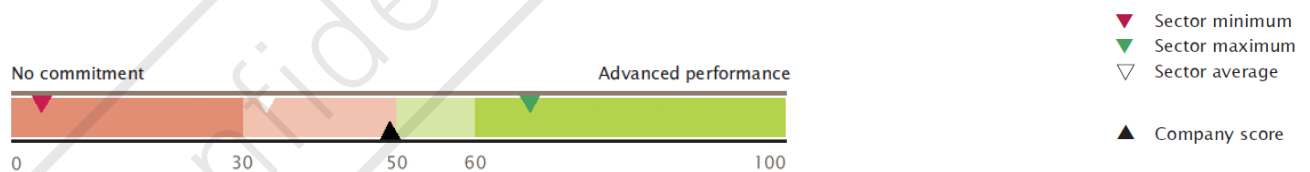
The majority of the company's employees receive training.

An average of 53% of the company's total employees have received training in 2014.

Leadership	44	Implementation	49	Results	39
Visibility	100	Means & resources	50	Performance	39
Relevance	30	Scope	30	Trends	N/A
Ownership	30	Coverage	65		

HRS3.2 Improvement of health and safety conditions

(score: 49, weight: 3)



Visibility of health & safety commitments

The company has made a formalised commitment to health and safety issues in its Code of Ethics.

Relevance of commitment

The company's commitment addresses all of its responsibilities:

- Ensure awareness about health and safety issues
- Reduce the number of work accidents and their severity
- Prevent occupational disease
- Reduce stress/promote well-being
- Road Safety

Ownership of commitment

The commitment applies throughout the company, supported by senior management. In addition, responsibility for commitments is allocated to a dedicated structure or local managers are held accountable.
Managers are held accountable for the health and safety of their operations and are expected to visibly demonstrate leadership and commitment to ensure that health and safety is given high priority.

Means allocated to health and safety

The company has allocated means to address these issues, including a certified health and safety system and employee incentives:

- *Training/awareness raising programmes: The company has established 'LEGACY' a health and safety training course which leaders, from executives to supervisors are required to complete. CEMEX also provides a Visible Felt Leadership (VFL) training course to senior leaders. In 2014, the company offers training course for line managers and developed a new course entitled E-LEGACY where the "E" stands for "everyone." and which is designed to help front-line employees embrace H&S as a personal value, assess risks and embrace a safe and healthy lifestyle.*
- *Internal monitoring: The company has established a global Health and Safety Management System (HSMS). Improving communication about incidents including key learning points and good practices is central to the prevention of future incidents.*
- *Risk assessments: The company has developed CEMEX 2014 Global Health and Safety Awards highlighting for employees who achieved outstanding safety performance during the year and consistently improved their safety performance year over year.*
- *OHSAS 18001 certifications: At CEMEX global, 9% of the company's operations are certified with OHSAS 18001:2007 (Occupational Health and Safety Management System) as of 2014.*

Coverage of health and safety system

The health and safety measures cover most of the company's employees.
The company reports that 99% of its sites have Health and Safety Management System implemented.

Means allocated to reduce stress at work

The company has allocated basic means to address stress at work, including:

- *Stress management training*

Coverage of means allocated to address mental health

The measures allocated to address mental health cover the majority of the company's employees.

Accident frequency rate

Lost-time injury frequency rate (LTIFR) has decreased continuously over the last three years by 54% from 0.40 (/200,000 hwkd) in 2012 to 0.24 (/200,000 hwkd) in 2014.

Accident severity rate

The company does not disclose quantitative data on accident severity rates.

Other health and safety indicators

The company does not disclose quantitative data on occupational disease rates.

Fatality rate

The number of fatalities normalised with the number of employees has decreased but not continuously over the last three years by 39% from 0.0004 in 2012 to 0.0006 in 2014.

Stakeholders' feedback

The company has faced recurrent allegations during the period under review.

1- In February 2014, the U.S. Labor Department's Mine Safety and Health Administration (MSHA) accused CEMEX for causing the death of a contract employee in a broken elevator at its Louisville cement plant. The federal regulators alleged that CEMEX allowed workers to use a broken elevator for 26 months before a contract employee fell to his death. While there were repairs to the doors in the days before the accident, MSHA's report said the company had been made aware in October 2011 that the doors were "defective and needed to be replaced to prevent them from opening when the elevator car was not at that floor." MSHA concluded that "management acted with aggravated conduct constituting more than ordinary negligence in knowing of the safety defects in the doors and disregarding the fact that (workers) were being exposed to fatal fall hazards." CEMEX also failed to make sure there was a "competent person" to check workplaces for hazards, including the elevator, at least one time each shift, the agency asserted.

2- According to an article published on Milton Keynes Citizen, in November 2013, CEMEX was fined £35,000 and ordered to pay £10,043 costs after pleading guilty to breaching Section 2(1) of the Health and Safety at Work act of 1974, in UK. An employee was working at the Saxon Street site owned by Cemex UK Materials Ltd when the incident happened June 27, 2012. A worker had both legs broken when he was struck by a falling 400kg metal track. An investigation was carried out by the Health and Safety Executive and it was found that the company had not adequately looked after the hoist and 'not provided a safe system of work in the event of its failure'.

Company's responsiveness

The company does not report transparently on these allegations. The media reports have indicated that CEMEX spokeswoman and other CEMEX officials have declined to respond on the agency's version of alleged accident.

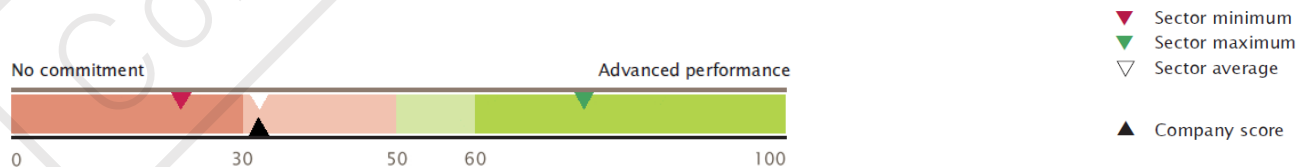
Leadership	76	Implementation	72	Results	0
Visibility	65	Means & resources	65	Performance	0
Relevance	100	Scope	N/A	Trends	N/A
Ownership	65	Coverage	82		

Human Rights

Score : 48

HRT1.1 Respect for human rights standards and prevention of violations

(score: 32, weight: 2)



The company has operations mainly in the United States which is rated as 'Free' in terms of political rights and civil liberties by Freedom House 2015.

Visibility of commitment

The company has issued a formalised commitment to respect and promote human rights in society in its Human Rights Policy. The company is a signatory of the Global Compact but it does not communicate on this principle.

Relevance of commitment *The company's commitment to respect and promote human rights in society is general.*

Ownership of commitment The commitment applies throughout the company, supported by senior management.

Means allocated *The company has allocated some measures to ensure the respect and promotion of human rights in society that includes:*
- Training programmes for employees: During 2014, more than 11,000 employees received training on different Human Rights related topics including: harassment, workplace behavior for managers, H&S, drug & alcohol policy, among others.

Coverage The company has set up such systems in parts of its operations, including in some high-risk areas in terms of human rights abuses.



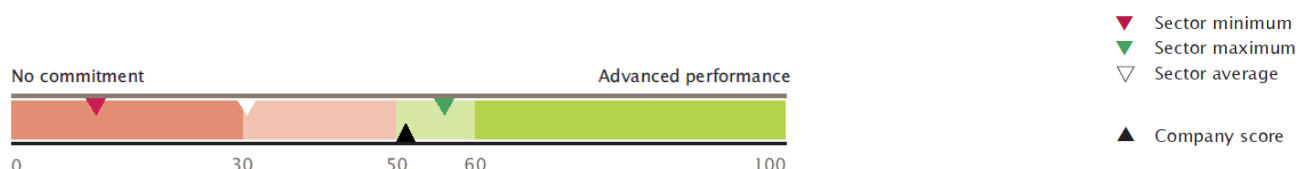
Stakeholders' feedback The company has been convicted in the past 3 years. This condemnation was already mentioned in Vigeo's previous rating cycle.
In March 2014, The United Nations Human Rights Council (UNHRC) in Geneva passed a resolution at its 25th session titled "Israeli Settlements in the Occupied Palestinian Territories, including East Jerusalem, and in the occupied Syrian Golan" (pdf) urging all States to: - To provide information to individuals and businesses on the financial, reputational and legal risks, as well as the possible abuses of the rights of individuals, of getting involved in settlement-related activities, including economic and financial activities, the provision of services in settlements and the purchasing of property. The original draft of the resolution called for States and private enterprises to terminate business transaction beyond the 1949 armistice lines and warned of the probability of criminal liability for corporate complicity in breach of international law. CEMEX is one of the businesses which were highlighted in the report of UN special investigator Richard Falk, back in October 2012.

Company's responsiveness *The company reports transparently on the existence of this condemnation. CEMEX's general strategy includes the sale of a number of assets, and for this reason CEMEX no longer holds a partnership with the third party that manages and operates the quarry, therefore is no longer involved in natural resource extractive activities in the west bank. Nevertheless, during the last ten years, CEMEX was not involved in the management of the quarry. Production, operations, logistics, sales, etc., were managed and operated exclusively by a local partner.*

Leadership	37	Implementation	30	Results	30
Visibility	65	Means & resources	30	Performance	30
Relevance	30	Scope	N/A	Trends	N/A
Ownership	30	Coverage	30		

HRT2.1 Respect for freedom of association and the right to collective bargaining

(score: 51, weight: 2)



The company has operations mainly in the United States which is listed as sensitive by the ITUC 2015 in terms of respect of labour and union rights.

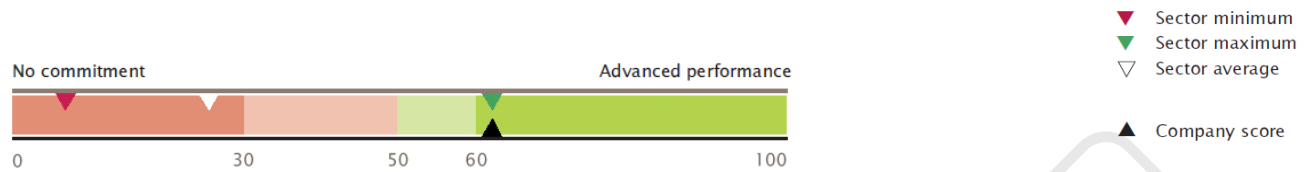
Visibility of commitment	<i>The company has issued a formalised commitment to freedom of association and the right to collective bargaining in its Code of Ethics and the company engages with international trade unions in this regard. The company is a member to Foro Soria 21, an international organization focused on social ethics and values. The company is a signatory of the Global Compact and communicates on this principle.</i>
Relevance of commitment	<i>The company's commitment generally addresses freedom of association and the right to collective bargaining.</i>
Ownership of commitment	The commitment applies throughout the company, supported by senior management.
Monitoring	<i>The company has implemented limited measures to monitor the respect of freedom of association within its operations: - Systematic risk mapping: The company reports that no risks to freedom of association or collective bargaining were identified. Of note, 17,956 of CEMEX's employees (45%) are represented by a union. CEMEX fully acknowledges, supports, and respects its employees rights to freedom of association, provided all actions are legal and that they do not interfere with the employees' duties and responsibilities. The company also engages with employees through: collective bargaining processes, quarterly meetings of the board of directors with workers, monthly meetings by specific departments, and individual meetings within departments.</i>
Promotion of collective bargaining	The company has provided employees with some information on their trade union rights through introductory training, contracts, as part of human rights training, etc. <i>- The company reported that employees are encouraged to participate in employee councils and representation, and efforts are made to create transparency in the communication of meetings as well as projects initiated by the groups.</i>
Coverage	<i>The company has set up such systems throughout the company.</i>
Stakeholders' feedback	A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	37	Implementation	51	Results	65
Visibility	65	Means & resources	30	Performance	65
Relevance	30	Scope	N/A	Trends	N/A
Ownership	30	Coverage	100		

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HRT2.4 Non-discrimination

(score: 62, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to non-discrimination in its Code of Ethics and Business Conduct. The company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

The company's commitment to non-discrimination explicitly defines most of the categories and the management processes to which these apply:

- gender
- race / ethnicity / nationality
- religion
- sexual orientation
- family responsibilities (including pregnancy)
- disabilities
- political opinion
- age
- discrimination in employment decisions (hiring / promoting / redundancies)
- discrimination in working conditions (working hours / training / remuneration / social security)

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated

The company has set up a few measures to prevent discrimination:

- Awareness raising: The company have a Job Opportunity Policy to ensure that all employees are made aware of and have the opportunity to apply for open positions to support their professional growth without discrimination.
- Training: he company has also a reporting procedure if violation of human rights including discrimination happens. Reporting to Human Resources Department, Business Unit Ethics Committee or ETHOSline are the three ways designed to address this problem.
- Confidential reporting system / grievance procedures: In 2013, CEMEX indicated that more than 631 training sessions were conducted with employees to ensure they understand and identify behavior that does not comply with the company's policy on Workplace Harassment.

Coverage

The company has set up programmes to promote diversity (eg: training, awareness-raising, etc.) throughout the company.

Results in terms of gender distribution

The percentage of women in management has decreased over the last three years by 1 percentage point from 13% in 2012 to 12% in 2014.

Results in terms of employment of disabled persons

The share of disabled employees in the total workforce has remained stable (1%) over the past three years.

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Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

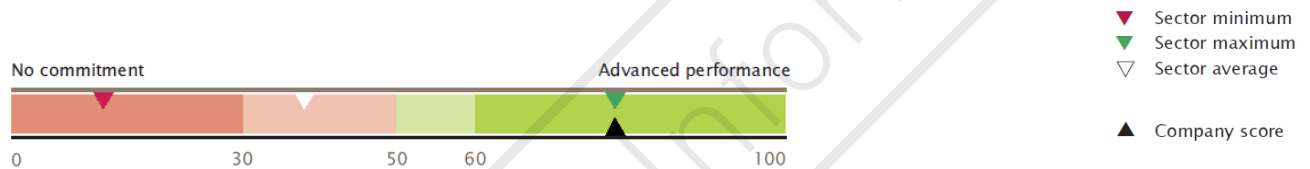
Leadership	65	Implementation	65	Results	56
Visibility	65	Means & resources	30	Performance	65
Relevance	100	Scope	N/A	Trends	51
Ownership	30	Coverage	100		

Community Involvement

Score : 77

CIN1.1 Promotion of the social and economic development

(score: 78, weight: 3)



Relevance of commitment

The company's commitment to promote local social and economic development addresses most of its responsibilities:

- Promote the creation and development of local businesses / preference for local suppliers
- Promote the employment and training of local personnel (capacity building)
- Optimise the impact of operations on the local economy (infrastructure, health, environment, education at community level)

Of note, CEMEX has set the goal of benefiting more than 10 million people by the year 2020 of its social programmes.

Relevance of commitment about quarrying activities

The company's commitment to take into account social impacts of its quarries addresses most of its responsibilities:

- Commitment to implementing social impact assessment
- Commitment to take into account health and security of residents
- Commitment to rehabilitation plans after closure
- Commitment to community engagement

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Visibility of the policy

The company has issued a formalized and accessible commitment to promote local social and economic development in its Code of Ethics and Business Conduct.

Measures to promote local social and economic development

The company has allocated extensive means to address social and economic development, including:

- Measures to support the creation and development of local business: The company has established "Patrimonio Hoy" which is CEMEX flagship inclusive business that helps low-income families improve their quality of life through housing and savings program.
- Measures to recruit and train local personnel: The company has created Productive Centers of Self-Employment (PCS) to allow participants produce concrete blocks and other precast products, half of which they can use to build, repair or expand their homes.
- Local purchase programs: In 2013, 95 percent of CEMEX suppliers were locally based.
- Social development initiatives: The company has established Productive Centers of Self-Employment (PCS), School of Construction and Development Community Centers as social development initiatives.
- Community engagement: More than 10 million individuals benefited from CEMEX social initiatives (accumulated since 1998), and 98% of CEMEX operations implement Community Engagement Plans.

Scope of community engagement.

The company has established a relevant community engagement plan for its production sites that includes most key components.

- Social impact assessment: The company has conducted social impact assessments at 68% of its sites.
- Stakeholder identification: The company actively participates in the development of communities by carrying out project proposals that are relevant to the unique concerns of these communities.
- Information disclosure: The company regularly carry out open doors days in its operations across the world. This practice allows neighboring communities, authorities, business partners and friends to visit the facilities and better understand the way the company operates.
- Grievance mechanism: A total of 97% of the company's operations have community engagement plans in place and 89% of them have a mechanism in place to address community complaints.

Geographical coverage

These means are allocated in the majority of company sites. Of the countries in which CEMEX operates, almost 70% have volunteering programs in place. Moreover, 97% of the company's operations have community engagement plans in place.

Performance trend

The company's normalised indicators on social and economic development have shown improvement continuously over the past three years. The Number of individuals benefited from Patrimonio Hoy housing project has increased over time from 1,921,731 individual in 2012 to 2,274,630 in 2014.

Stakeholders' feedback

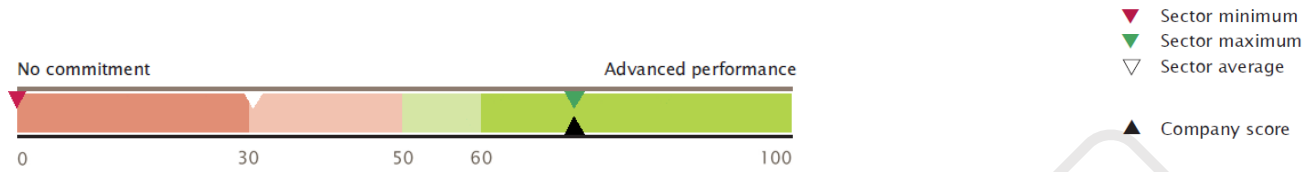
A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral

Leadership	79	Implementation	90	Results	65
Visibility	65	Means & resources	100	Performance	65
Relevance	100	Scope	100	Trends	65
Ownership	30	Coverage	65		

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CIN2.2 Contribution to general interest causes

(score: 72, weight: 1)



Relevance of commitment The company's commitment to supporting general interest causes is general.

Ownership of commitment The commitment applies throughout the company, supported by senior management.

Means allocated *The company has allocated resources to general interest causes and has set up programmes to involve its employees.*

- *Financial support: In 2013, CEMEX established a worldwide fund to receive voluntary employee donations for humanitarian relief efforts in the Philippines after Typhoon Haiyan. CEMEX matched every employee donation two for one and raised USD 500,000 combined.*
- *In-kind donations: Patrimonio Hoy is CEMEX's main community initiatives. Patrimonio Hoy provides low-income families living in urban and semi-urban areas with access to building materials such as cement, concrete blocks, and steel. Patrimonio Hoy provides these products at average market prices as well as microfinancing, technical advice, and logistical support to assist participants in building their own homes. A total of 2.3 million Latin American families have benefited from Patrimonio Hoy project since 1998.*
- *Allowing staff time: In addition, in Mexico, almost 9,000 employees completed more than 45,000 hours in a variety of volunteering programs.*
- *Sponsoring employee volunteering: Of the countries in which we operate, 67 percent have volunteering programs in place, together implementing approximately 114 initiatives. For example, the company established a program to promote health awareness in schools, an earthquake awareness program, a community medical camp and a health day were all held in Bangladesh, and in Israel our employees renovated an aging synagogue, refurbished a school and its surroundings and participated in the globally recognized Good Deeds Day.*

Geographical coverage These means are allocated in the majority of company sites. *Of the countries in which CEMEX operates, almost 70% have volunteering programs in place. Moreover, 97% of the company's operations have community engagement plans in place.*

Trend in contributions to general interest causes The company monitors indicators on contributions to general interest causes, and these have been improving over time. *The total number of families participating in Patrimonio Hoy in Latin America Initiative has increased over the last three years from 396,845 in 2012 to 470,749 in 2014.*

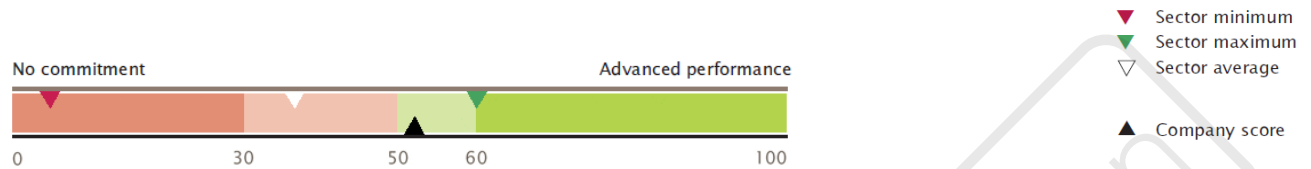
Leadership	30	Implementation	86	Results	100
Visibility	N/A	Means & resources	100	Performance	N/R
Relevance	30	Scope	N/A	Trends	100
Ownership	30	Coverage	65		

Business Behaviour (C&S)

Score : 54

C&S1.1 Product Safety (process and use)

(score: 52, weight: 3)



Visibility of commitment

The company has made references to product safety in its 2014 CSR Report.

Relevance of commitment

The company's commitment addresses the main relevant issues to manage the safety of its products.
- Control of raw material / REACH compliance
- Crisis management

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Product safety management systems

The company has allocated some resources to ensure product safety that include:
- Internal audits of production processes, in terms of product safety: The company developed Material Safety Data Sheets that describe potential hazards and precautions to take when handling each of its products.

Coverage

The company has set up such systems in a majority of its sites.

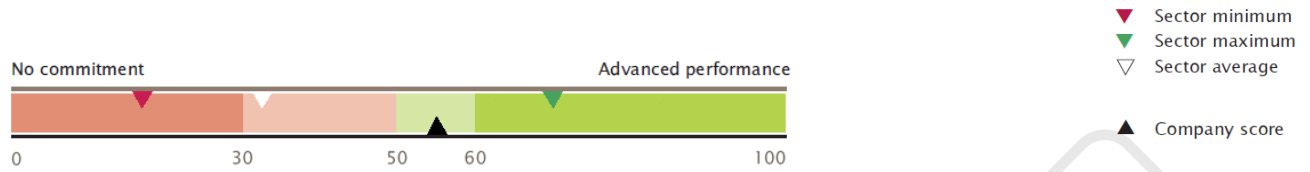
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	51	Implementation	41	Results	65
Visibility	30	Means & resources	30	Performance	65
Relevance	65	Scope	N/A	Trends	N/A
Ownership	30	Coverage	65		

C&S2.4 Integration of social factors in the supply chain

(score: 55, weight: 2)



Visibility of commitment

The company has issued a formalised commitment to including social factors in supply chain management in its Supplier Sustainability Code.

Relevance of commitment

The company's social requirements for suppliers address the main relevant issues in the sector:

- Abolition of child labour
- Abolition of forced labour
- Non-discrimination
- Health and Safety
- Other rights (e.g. prevention of cruel, degrading and inhuman behaviour, etc.)

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Means allocated

The company has set up at least three measures to include social factors in supply chain management:

- *Integration of social issues into contractual clauses: The company's employees have participated in training and development programs to help them strengthen their business practices and integrate sustainability into their business processes.*
- *Supplier questionnaires: Suppliers from Czech Republic and Panama were invited to participate in the survey. Additionally, 68 percent of countries where CEMEX operates have a formal program in place to train suppliers and contractors on social, environmental and health and safety issues.*
- *Supplier support (e.g.: training, technical assistance, etc.): CEMEX works with a third party sustainability supply management firm that operates a collaborative platform for monitoring the sustainability performance of suppliers.*

Share of corrective measures / problems uncovered

Only a minor share of social problems uncovered in the supply chain were addressed by corrective measures.

The company response to Vigeo indicates that, due to its presence in more than 50 countries, measures and actions of non-conformities of suppliers on social issues are taken at a country level in a case by case basis.

Allegations against suppliers

A review of stakeholder sources did not reveal any social allegations against the company's suppliers.

Coverage

The measures implemented cover the main suppliers.

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Audits of suppliers/subcontractors

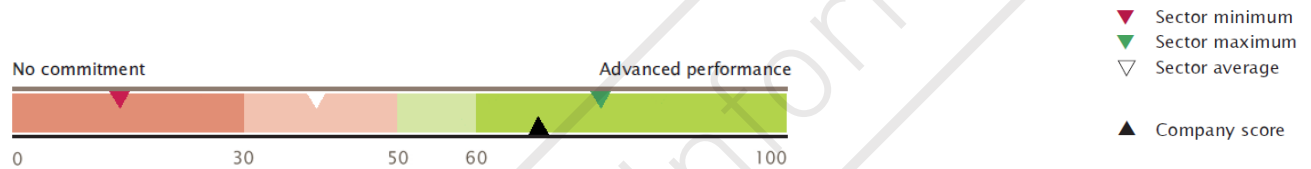
Information obtained from the company and public sources regarding social audits of suppliers is insufficient.

Coverage of social audits

Leadership	56	Implementation	45	Results	65
Visibility	65	Means & resources	50	Performance	65
Relevance	65	Scope	N/A	Trends	N/A
Ownership	30	Coverage	32		

C&S3.1 Prevention of corruption

(score: 68, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to preventing corruption in its Anti-Bribery-Anti-Corruption Global Policy. In addition, the company is a signatory of the Global Compact and communicates on this principle.

Relevance of commitment

CEMEX indicated that complies with:
 - the Foreign Corrupt Practices Act ("FCPA");
 - the Organization for Economic Cooperation and Development's Convention on Combating Bribery of Foreign Public Officials in International Business Transactions ("OECD Convention"); and
 - the local anti-bribery and anti-corruption laws of countries where CEMEX operates, including the UK Bribery Act 2010 ("UK Bribery Act").

Ownership of commitment

The commitment applies throughout the company, supported by senior management.

Involvement of employees

The company has instituted formal training programmes for relevant employees on corruption prevention.
 The company requires employees to consult ETHOS line for action that might possibly amounts to corrupt practices. CEMEX has also a programme called Compliance Legal Department where Employees are trained with a focus on antitrust, anti-bribery and insider trading issues and execute internal legal audits also addressing these topics.

Means allocated

The company has set up internal controls to prevent corruption, including a confidential reporting system, that include:

- Internal audits: The company has established ETHOSline, a confidential tool for employees to ask questions and report potential violations related to market practices.
- Approval procedures for gifts by an independent department: Relevant employees are required to submit a completed Gifts, Travel & Entertainment Checklist and supporting documentation to local legal department for approval.
- A dedicated confidential hotline or email address: CEMEX Compliance Legal Department execute internal legal audits (dawn raids) by addressing topics such as anti-bribery.

Coverage

The measures implemented cover all significant parts of the company as well as sales agents and business partners.

CEMEX indicated that the company's Global Policy applies to all directors, officers and employees, regardless of where they reside or conduct business, CEMEX subsidiaries, affiliates and third party relationships over which CEMEX has control, including joint ventures, as well as all agents, consultants, business partners and other third-party representatives when they act on CEMEX's behalf.

Reporting

The company discloses quantitative data on the corruption incidents reported internally. In 2014, there were no reported incidents of corruption or bribery to government officials.

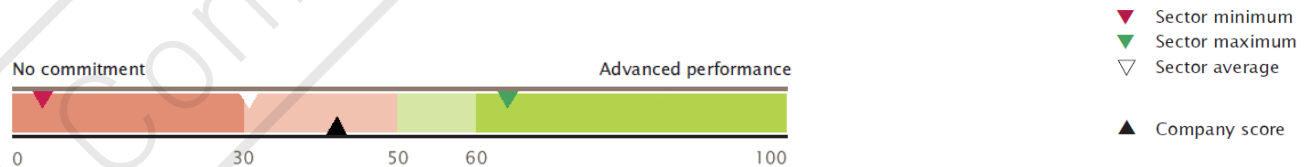
Stakeholders' feedback

A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

Leadership	76	Implementation	76	Results	53
Visibility	65	Means & resources	65	Performance	53
Relevance	100	Scope	N/A	Trends	N/A
Ownership	30	Coverage	100		

C&S3.2 Prevention of anti-competitive practices

(score: 42, weight: 3)



Visibility of commitment

The company has issued a formalised commitment to prevent anti-competitive practices in its Global Antitrust Compliance Policy.

Relevance of commitment

The company commits not to take unfair advantage of its market position in any particular product or geographic area and not to make agreements with competitors to unlawfully restrain trade which includes price fixing, group boycotts and bid rigging. The company lists USA, EU, Mexico's and Venezuela's legal penalties for Violation of Antitrust laws.

Ownership of commitment	The commitment applies throughout the company, supported by senior management.
Involvement of employees	<p>The company has instituted formal training programmes for relevant employees on the prevention of anti-competitive practices.</p> <p><i>The company requires employees to consult Legal Department or ETHOSline for action that might possibly amounts to unlawful practices. CEMEX Compliance Legal Department has implemented the Global Compliance Program to train employees on antitrust.</i></p>
Means allocated	<p><i>The company has set up internal controls to prevent anti-competitive practices that include:</i></p> <ul style="list-style-type: none"> - <i>Internal audits: CEMEX Compliance Legal Department has implemented the Global Compliance Program to train employees on antitrust.</i> - <i>A dedicated confidential hotline or email address: the company has dedicated ETHOSline, a confidential tool for employees, to submit inquiries and report potential violations related to market practices.</i>
Coverage	<p>The measures implemented cover all significant parts of the company as well as sales agents.</p> <p><i>CEMEX indicated that the company's Global Policy applies to all directors, officers and employees, regardless of where they reside or conduct business, CEMEX subsidiaries, affiliates and third party relationships over which CEMEX has control, including joint ventures, as well as all agents, consultants, business partners and other third-party representatives when they act on CEMEX's behalf.</i></p>
Reporting	The company does not disclose any quantitative data on the number or nature of antitrust incidents reported internally.
Stakeholders' feedback	<p>The company has faced recurrent allegations during the period under review.</p> <p><i>1- In February 2012, The Federal Competition Commission of Mexico fined CEMEX 10.2 million pesos (USD 796,000) following an investigation into a failed attempt by a competitor to import cement via a silo ship nearly eight years ago. The antitrust investigation followed a complaint by a group that was blocked from importing cement from Russia in 2004. Comercio para el Desarrollo Mexicano, or CDM, formed by local entrepreneurs and several foreign partners, was kept from unloading the shipment. The commission voted, 4-1, to fine CEMEX for what it said was a boycott. The commission said it determined that CEMEX has substantial power in the wholesale market for cement, and that it systematically carried out actions to keep out imported cement, including using its influence in the cement industry chamber.</i></p> <p><i>2- In April 2011, in connection with the European Commission's antitrust investigations, the European Commission notified CEMEX about a decision on the implementation of the rules on competition, which included a request for CEMEX to deliver a material amount of information and documentation by June 27, 2011. CEMEX and several of its European affiliates filed an appeal before the General Court of the European Union for the annulment of such decision on the grounds that such request is contrary to several principles of European Union Law. In addition, on June 17, 2011, CEMEX, S.A.B. de C.V. and several of its European affiliates filed a claim for a provisional suspension of the obligation to comply with such decision before the General Court of the European Union. However in March 2014, the European Union court rejected cement makers' challenges to the European Commission's investigative demands during a cartel probe, ruling the antitrust enforcer didn't overstep by requiring the companies to answer detailed questionnaires about the alleged plot.</i></p>

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Company's responsiveness

1- On the antitrust case in Mexico, the company slammed the country's antitrust commission and reiterated that it intends to appeal the fine. The company said, it has done nothing illegal, but used legal measures to combat what they consider was going to be a contraband.

2- Initially Cemex and its European affiliates filed an appeal before the General Court of the European Union for the annulment of such decision on the grounds that such request is contrary to several principles of European Union Law. However, no response was given since the verdict of the General court in favour of the European Commission.

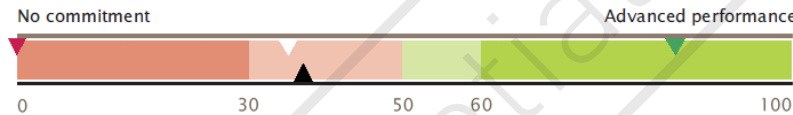
Leadership	72	Implementation	53	Results	0
Visibility	65	Means & resources	48	Performance	0
Relevance	100	Scope	N/A	Trends	N/A
Ownership	30	Coverage	65		

Corporate Governance

Score : 31

CGV1.1 Board of Directors

(score: 37, weight: 3)



- ▼ Sector minimum
- ▼ Sector maximum
- ▽ Sector average
- ▲ Company score

Existence and independence of Nomination Committee

No specific committee is in charge of director nomination, which might raise concerns.
The company indicated that under CEMEX, S.A.B. de C.V.'s bylaws and the Mexican Laws and Regulations, it is not required to have a nomination committee.

Independence of board Chairman

The roles of Chairman and CEO are separated, but the Chairman is not considered independent.

Total % of independent shareholder-elected board members

The board is between 34 and 50% independent, which is slightly less than the recommended level.
Five members of the 13 members Board are considered independent.

Skills and backgrounds of non-executive board members

Information obtained from the company and public sources regarding skills and backgrounds of non-executive board members is insufficient.

Training and expertise provided to board members

Information obtained from the company and public sources regarding training provided to board members is insufficient.

Regularity of and attendance at board meetings

Information obtained from the company and public sources regarding the regularity of and attendance at board meetings is insufficient.

Regular election of board members

Board members are elected at least every 3 years.
Board members are eligible for re-election following a one-year term.

Evaluation of board functioning and performance

Performance is evaluated regularly, but with no disclosure on the results.

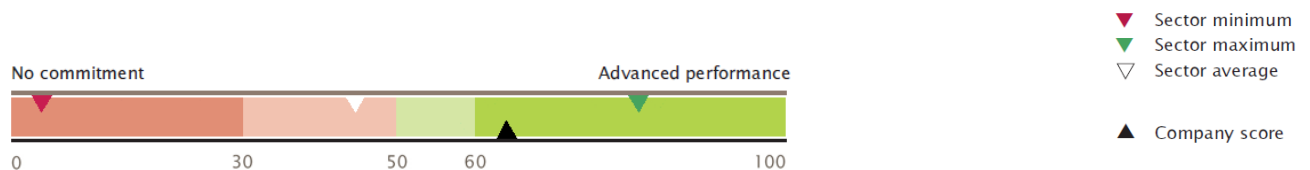
Review of CSR issues at board meetings

CSR issues were formally reviewed at the board level during the last fiscal year; however there is no non-executive board member explicitly responsible for CSR issues.
CEMEX has integrated sustainability into its business strategy and has published a CSR report. The Sustainability Committee is comprised of three board members and one secretary and is supported by our Corporate Sustainability function, who reports to the CEO and to a member of the Executive Committee. Moreover, through the Global Sustainability Functional Network we implement our main initiatives in all of our businesses across the world.

Non-independent board members (excl. employee representatives)	Role	Current or Former Executive	More than 9 years on board	Stock options or warrants	Paid >1/2 executive salary	Owns or represents >3% company's shares	Other
Rogelio Zambrano Lozano	Chairman						
Tomás Milmo Santos	Finance Committee		X				considered Non-Independent Director by the company
Ian Christian Armstrong Zambrano	Sustainability Committee member						considered Non-Independent Director by the company
José Manuel Rincón Gallardo Purón	Audit Committee		X				
Roberto Luis Zambrano Villarreal	President of the audit committee and Sustainability Committee Member		X				
Armando J. García Segovia	President of the Sustainability Committee	X	X				
Rodolfo García Muriel	Finance Committee		X				
Fernando Ángel González Olivieri	CEO	X					considered Non-Independent Director by the company

CGV2.1 Audit & Internal Controls

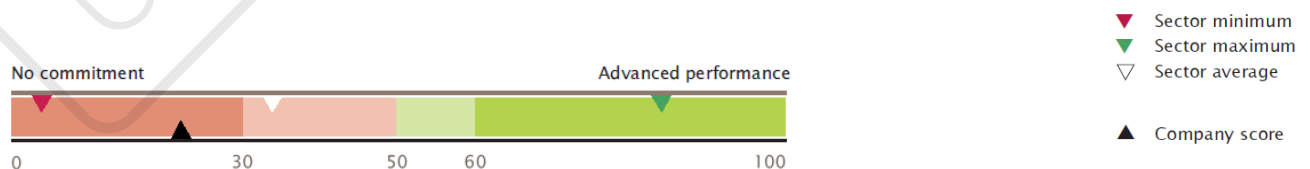
(score: 64, weight: 2)



Existence and independence of Audit Committee	No executive is a member of the committee, but half or fewer are independent, contrary to standards advocated by Vigeo. <i>One member of the 4-members Audit Committee is considered independent.</i>
Skills and backgrounds of Audit Committee members	<i>Members appear to have financial and audit experience and relevant operational experience.</i>
Operational and CSR risks covered by the company's internal controls system	The system covers financial, operational, legal, and CSR risks, and a confidential reporting system is in place for accounting issues. <i>The company covers environmental, health and safety risks in its reporting and has provided as well ETHOS Line, a safe and confidential channel to ask questions and report violations related to ethics, compliance, and governance topics.</i>
Role of the Audit Committee in overseeing internal and external controls	The Audit Committee does not oversee CSR risks but has a comprehensive role that includes: <ul style="list-style-type: none"> <input checked="" type="checkbox"/> Oversee internal audit and internal controls <input checked="" type="checkbox"/> Review accounting policies and be responsible for updates <input checked="" type="checkbox"/> Nominate the statutory auditor <input checked="" type="checkbox"/> Oversee the work of the external auditor <input checked="" type="checkbox"/> Approve the type of audit and non-audit services provided and fees paid to the external auditor
Independence of the firm's external auditors	The audit firm receives non-audit fees, but these represent only 25% or less of total fees. <i>Non-audit fees paid to KPMG Cárdenas Dosal, S.C. in Mexico represented 19.8% of total audit fees in the year 2014.</i>
Inclusion of CSR issues in company reporting	<i>The company publishes significant social and environmental reporting, with quantitative indicators, that is audited by a 3rd party. The 2014 CSR Report was certified by PwC.</i>
Reliability of the company's internal controls system	A review of stakeholder sources did not reveal any allegations for internal control failures against the company during the period under review: stakeholders' feedback is neutral.

CGV3.1 Shareholders

(score: 22, weight: 2)



Voting rights restrictions

Minor voting rights restrictions have been identified.
The company has created what it calls 'Series A shares', as opposed to 'Series B Shares', to which no voting right is attached or a party has to agree not to exercise its voting right.

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Existence of anti-takeover devices There is no reference to anti-takeover devices in the company's reporting.

Ability to add items to the agenda of the AGM and to convene an EGM. Major restrictions have been identified.
The company's Bylaw states that Shareholders that are Owners of shares with voting right, including in a limited or restrictive form, that represent at least 10% (ten percent) of the Capital Stock subscribed and paid, shall be able to request to the Chairman of the Board of Directors or of the Corporate Practices or Audit Committees, in any moment, that a General Shareholders Meeting takes place, in the terms of the applicable law.

Access to voting at General Meetings Information obtained from the company and public sources regarding the access to voting at the AGM is insufficient.

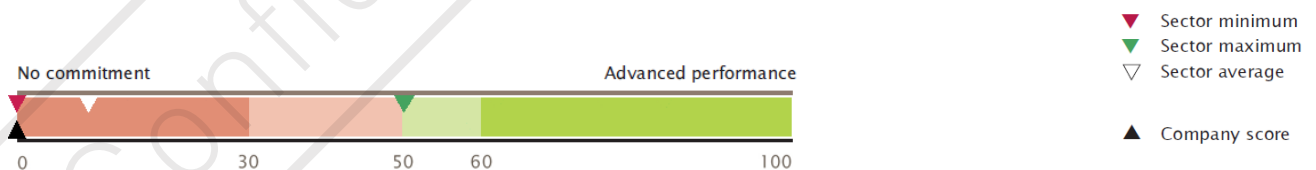
Governance and CSR items put to a vote at General Meetings Not all major items are put to a shareholder vote. In particular, shareholders are not given the opportunity to express an opinion on executive remuneration through a (non-binding) shareholder vote.
The following items are not put to a vote at the AGM:
- Selection of external auditors
- Executive remuneration

Voting results of the latest AGM Information obtained from the company and public sources regarding voting results of the latest AGM is insufficient.

Feedback from shareholders and other stakeholders on the company's corporate governance performance A review of stakeholder sources did not reveal any allegations against the company during the period under review: stakeholders' feedback is neutral.

CGV4.1 Executive Remuneration

(score: 0, weight: 2)



Existence and independence of Remuneration Committee No specific committee is in charge of executive remuneration, which might raise concerns.
The company indicated that under CEMEX, S.A.B. de C.V.'s bylaws and the Mexican Laws and Regulations, it is not required to have a compensation committee.

Disclosure of senior executives' individual remuneration Executive remuneration is disclosed, but on a collective rather than on an individual basis.

Link between Short Term Incentive Plans and the economic and CSR performance of the company

Bonuses are said to be linked to predetermined operational performance indicators, but these are not disclosed.

Link between the main Long Term Incentive Plan and the economic performance of the company

There is no disclosure on what rules guide the company in allocating stock options and other long-term incentives to senior executives, and what performance conditions are attached to the right to exercise these incentives.

Severance pay for senior executives

Information obtained from the company and public sources regarding severance pay for senior executives is insufficient.

Confidential Information

Allegations and controversies

Domain	Sustainability driver	Page
ENV	ENV2.6 - Management of local pollution	15
HRS	HRS3.2 - Improvement of health and safety conditions	21
HRT	HRT1.1 - Respect for human rights standards and prevention of violations	22
C&S	C&S3.2 - Prevention of anti-competitive practices	32

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Detailed Scores And Ratings

Current and previous ratings

Period	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance
2015/12	++	++	+	++	+	=
2015/02	++	+	+	+	+	=
2014/09	++	+	+	+	+	=

Scores per domain

Domain	Average score	Leadership	Implementation	Results
Environment	55	51	61	44
Human Resources	47	50	58	33
Human Rights	48	46	49	50
Community Involvement	77	67	89	74
Business Behaviour (C&S)	54	64	55	44
Corporate Governance	31	30	30	35

Scores per criteria

Sub-domain	Criterion	Score
Environment 1	1	71
	4	66
Environment 2	1	D/A
	2	64
	4	59
	6	48
Environment 3	7	10
	1	70
Sub-domain	Criterion	Score
Human Resources 1	1	D/A
	3	46
	4	44
Human Resources 2	2	49
	3	49
Sub-domain	Criterion	Score
Human Rights 1	1	32
	2	32
	4	62

Sub-domain	Criterion	Score
Community Involvement 1	1	78
	2	72
Business Behaviour (C&S) 1	1	52
	2	55
	3	68
Business Behaviour (C&S) 2	1	42
	2	42
Sub-domain	Criterion	Score
Corporate Governance 1	1	37
	2	64
	3	22
	4	0

General Overview

Position versus
sector peers Rest of the World

	Environment	Human Resources	Human Rights	Community Involvement	Business Behaviour (C&S)	Corporate Governance	Overall score
INE012A01025 ACC Ltd.	+	=	=	+	=	+	39
INE079A01024 Ambuja Cements Ltd.	+	+	-	+	++	=	39
TW0001102002 Asia Cement Corp.	-	=	-	-	-	=	17
CNE100000F20 BBMG Corp.	--	-	-	-	-	-	9
COD38PA00046 Cementos Argos S.A.	+	+	++	+	+	+	47
MXP225611567 CEMEX	++	++	+	++	+	=	51
EST01PA00013 CEMEX LATAM HOLDINGS SA	+	+	+	+	+	+	50
CNE1000002N9 China National Building Material Co. Ltd.	=	-	=	-	=	+	29
KYG2113L1068 CHINA RESOURCES CMT.HDG.	-	-	-	-	-	+	20
BRDTEXACNOR3 Duratex SA	=	=	+	=	++	+	42
ID1000061302 Indocement	+	+	+	=	+	-	40
COT09PA00035 Inversiones Argos	=	+	+	=	-	+	29
KR7002380004 KCC Corp.	=	-	-	-	-	--	15
MYL37940O0004 Lafarge Malaysia Berhad	=	+	+	=	=	=	33
ZAE000170049 Pretoria Portland Cement Co. Ltd.	=	=	=	+	=	++	39
ID1000106800 Semen Gresik (Persero)	-	=	=	=	-	=	25
TH0003010Z04 Siam Cement	++	+	=	=	=	+	44
TW0001101004 Taiwan Cement Corp.	=	-	-	-	-	--	18
TW0001802007 Taiwan Glass Industry Corp.	-	-	-	-	-	--	10
TRASISEW91Q3 Turkiye Sise Ve Cam Fabrikalari A.S.	-	+	-	-	=	=	25
INE481G01011 UltraTech Cement Ltd.	=	+	=	+	=	=	32

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