

Code of Conduct

when doing business with us

Supplier Sustainability



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Supplier Sustainability in CEMEX

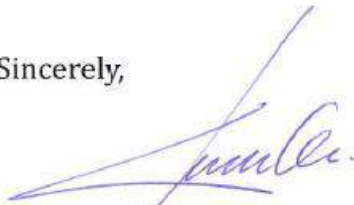
As a part of our Supplier Sustainability Program, CEMEX embraces the pursuit of economic performance, environmental quality and social responsibility. Our Program is part of a continuous process that promotes a profitable and well-built relationship between CEMEX and its suppliers. This Program is based on four phases:

- a) *Self-assessment questionnaire to identify potential actions for innovation, development and implementation of sustainable practices*
- b) *Communication of CEMEX's practices and beliefs*
- c) **Development and implementation of sustainable policies**
- d) *Recognition of our suppliers' sustainable practices*

The **Code of Conduct when doing business with us** is part of the third out of four phases of our Program and it is comprised by ten principles that CEMEX expects to honor when working with its business partners.

We invite you to read this document and to adhere to these ten principles to ensure a trustful, lawful and fair work environment.

Sincerely,



Vicente Saiso
Corporate Sustainability Director



Carlos Sucre
Global Procurement Director



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CEMEX ENVIRONMENTAL POLICY

At CEMEX managing our environmental footprint is an integral part of our business philosophy. We are fully committed to carry out our business activities in an environmentally responsible and sustainable manner and to minimize the environmental implications of our activities.

To meet this commitment we will:

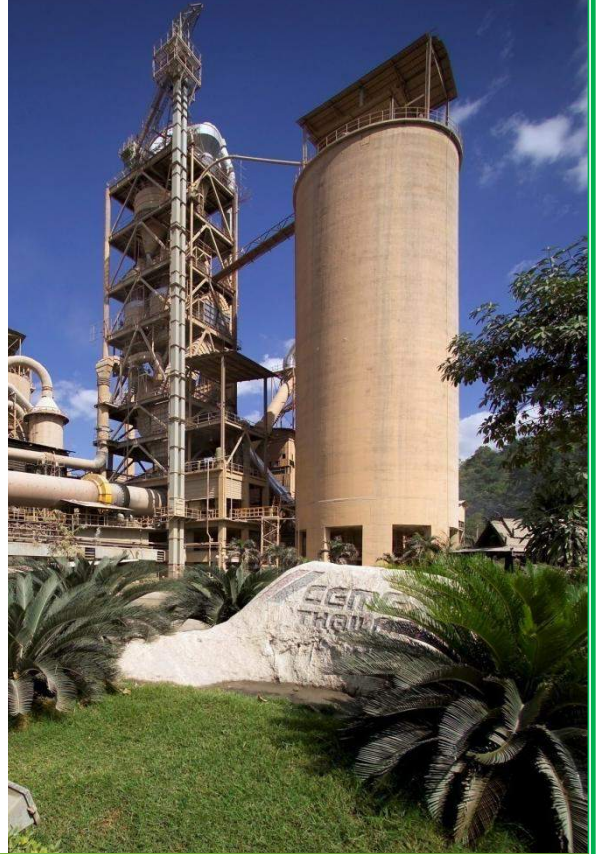
- Actively pursue a policy of pollution prevention and reduce to a practical minimum the environmental impact of emissions to air, land and water and noise from our operations
- Comply with company policies and procedures and all applicable local laws and regulations
- Make strategic efforts to maximize our energy and resource efficiency, lower our carbon intensity and reduce emissions by managing our usage of energy, water consumption and waste generation
- Responsibly manage the land within our operations to protect ecosystems and biodiversity and to maximize our contribution to nature conservation
- Maintain open and effective communication channels with our employees, contractors, customers, the community and all those who work with us
- Provide the necessary resources for instruction, training and supervision to appropriately manage the environmental aspects of our operations
- Plan, review and assess our environmental performance against measurable targets and industry best practices to drive continuous improvement
- Investigate, monitor and openly report our environmental performance

Everyone who works for the company is responsible for demonstrating correct environmental behaviors and reporting potential environmental risks. Managers will be held accountable for clearly defining Environmental roles and responsibilities, providing appropriate resources, and measuring, reviewing and continuously improving CEMEX Environmental performance.



Fernando Gonzalez Olivieri
Chief Executive Officer

December 2015



CEMEX HEALTH AND SAFETY POLICY

At CEMEX, nothing comes before our commitment to health and safety and the prevention of injuries. We believe ZERO injuries is not only possible, but our moral responsibility. We are fully committed to carrying out our activities in a safe and efficient manner and to caring for the well-being of our employees, contractors and other people who we may interact with as a result of our activities.

To meet this Commitment we will:

- Provide a safe and healthy workplace for our employees and contractors by implementing and maintaining systems that prevent risk in our activities
- Comply with company policies, the H&S Management System, procedures and all applicable local laws
- Maintain open and effective communication channels with our employees, contractors, customers, the community and those who work with us
- Develop a positive health and safety culture whereby individuals look after the health and safety of each other and share our belief that the achievement of ZERO injuries is possible
- Provide the necessary resources for instruction, training and supervision to ensure the health and safety of our workers
- Regularly plan, audit, review and assess our health and safety performance against measurable targets and industry best practices to drive continuous improvement
- Investigate, monitor and openly report our health and safety performance

Everyone who works for the Company is responsible for demonstrating correct H&S behaviours and reporting potential risks to themselves and others. Managers will be held accountable for accomplishing H&S goals, demonstrating effective leadership, developing a positive H&S culture, clearly defining H&S roles and responsibilities, providing appropriate resources and for measuring, reviewing and continuously improving our CEMEX H&S performance.



Fernando A Gonzalez

Chief Executive Officer,

September 2014

SUPPLIER RELATIONS AND FAIR DEALING

CEMEX's success depends on supplier relationships that are built on trust and mutual benefit. We will always manage our supplier relationships with honesty, respect, and integrity, offering equal opportunities for all concerned parties.

Code of Conduct when doing business with us:

1. Encourage suppliers to adhere to the highest ethical standards and practices
2. Seek for equality and fairness in supplier relations
3. Honor contracts and proprietorship, obeying the law, and complying with regulations
4. Comply with all anti-bribery laws
5. Maintain standard business practices related to gifts, services, and other courtesies
6. Ensure basic conditions of Labor
7. Generate environmental and biodiversity engagement
8. Promote high priority on Health and Safety
9. Enhance the Diversity and Equality
10. Strengthen Human Rights



Code of Conduct

when doing business with us



1. Encourage suppliers to adhere to the highest ethical standards and practices

CEMEX encourages its suppliers to adhere to the standards of its Code of Conduct when doing business with us and, therefore, strongly advises its suppliers not to perform or engage in any act prohibited by law or by its Code.

2. Seek for equality and fairness in supplier relations

CEMEX provides suppliers with equal opportunities to bid on and win contracts. CEMEX always conduct its procurement processes consistently, respectfully, and confidentially. In all cases, CEMEX bases the evaluation of bids for the selection of suppliers on the company's established criteria.



3. Honor contracts and proprietorship, obeying the law, and complying with regulations

CEMEX honors its agreements and commitments, including copyrights, licenses, and other proprietary claims. Consequently, its employees do business only with contractors or suppliers who are qualified to use, transfer, or market products and/or services subject to royalties or other obligations. Therefore, contractors and suppliers are required to prove the authenticity and legitimacy of their products and services.



4. Comply with all anti-bribery laws

Suppliers do not receive, nor promise or accept a promise to receive, a bribe or any other type of improper payment in violation of international anti-bribery laws.



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when doing business with us

5. Maintain standard business practices related to gifts, services, and other courtesies

Gifts, services, and other courtesies from our current or potential CEMEX suppliers are acceptable only if they are given for legitimate business reasons. In all cases, such courtesies must be lawful and in line with standard business practices.

(For more detail, please see Appendix 1)



6. Ensure basic conditions of Labor

Suppliers have not and will not directly or indirectly make use of slave, forced or compulsory labor in any form, and/or engage children under the corresponding minimum ages for employment, as defined in all international labor standards and applicable national legislation on child protection.



7. Generate environmental and biodiversity engagement

Suppliers must comply with all applicable laws relating to the environment, the disposal of materials, the discharge of chemicals, gases or other substances or materials into the environment, or the presence of such materials, chemicals, gases or other substances in or on its facilities and/or its affiliates' facilities.



8. Promote high priority on Health and Safety



Contractor/service provider and all its subcontractors represent and warrant to comply with all applicable laws, CEMEX requirements, approved codes of practice and industry guidance relating to health and safety. A Health and Safety program is in place that sets out arrangements for: the identification, management, and control of hazards and risks associated with the activities/services to be provided; training and certification of personnel; formal induction and permit processes before work commences; reporting of all incidents and near misses; and periodic auditing for compliance with health and safety rules.

9. Enhance the Diversity and Equality

CEMEX supports diversity and equality in employment opportunities. CEMEX expects from its suppliers to comply with all laws relating to discrimination in hiring or employment practices.



10. Strengthen Human Rights

CEMEX considers human rights basic for its operation and its supply chain. Therefore, CEMEX expects from its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses and discriminations.

PERFORMANCE Summary

PROGRESS AGAINST OUR TARGETS

Anchored by four main objectives under the economic, environmental, social and governance pillars, our sustainability model ensures sustainability is embedded into our business and value is created for our stakeholders.

To keep our sustainability objectives on track, we have set targets for our core KPIs that are strategically aligned to our sustainability model and linked to the material issues identified by the company and our stakeholders.

CHALLENGES TO ADDRESS

Economic

Provide Resilient Infrastructure and Energy-Efficient Building Solutions

MAIN OBJECTIVES

CORE SUSTAINABILITY KPIs

Annual ready-mix sales derived from products with outstanding sustainable attributes (%)

31.8

2017

2020 TARGET

ANNUAL TARGET

≥ 25

Environmental

Enable a Low-Carbon and Resource-Efficient Industry

Alternative fuels rate (%)

26.2

35

Reduction in CO₂ emissions per ton of cementitious product from 1990 baseline (%)

20.7

25

Clinker produced with continuous monitoring of major emissions: dust, NO_x, SO_x (%)

92

100

Annual reduction in dust emissions per ton of clinker from 2005 baseline (%)

84

≥ 50

Annual reduction in NO_x emissions per ton of clinker from 2005 baseline (%)

43

≥ 30

Annual reduction in SO_x emissions per ton of clinker from 2005 baseline (%)

67

≥ 20

Active quarries with high biodiversity where BAPs are actively implemented (%)

69

100

Social

Implement a High-Impact Social Strategy to Empower Communities

Total individuals benefited from our social initiatives (million)

14.1

≥ 15

governance

Embed Our Core Values into Every Action

Total fatalities (employees, contractors and third parties)

20

0

Lost Time Injury Frequency Rate (LTI FR), employees (per million hours worked)

0.5

0.3

Countries that conduct regular customer satisfaction surveys (%)

100

≥ 90

Global procurement spend assessed under the *Supplier Sustainability Program* (%)

25

≥ 55

Employees that perceive they are enabled to perform their job effectively (%)

77

83

Employees that are engaged with the company (%)

76

80

Executives and employees actively aware of our Code of Ethics (%)

77

≥ 90

Target countries that participated in the *Global Compliance Program* covering anti-trust, anti-bribery and insider trading (%)

100

≥ 90

Ethics and compliance cases reported during the year that were investigated and closed (%)

73

≥ 90



Appendix 1

The practice of offering and accepting business gifts and courtesies varies among many jurisdictions. Gift-giving is also an important component of many cultural traditions around the globe. Therefore, deciding which types of gifts are acceptable to offer or accept can be difficult.

When confronted with a gift-giving scenario, ask yourself the following questions:

- Is this a gift I would give to any other customer, supplier or business partner? Would our customer, supplier or business partner offer such a gift to others as well?
- Is this gift work-appropriate?
- Are these gifts given infrequently at appropriate times—such as promotions or major holidays?
- Will offering or accepting this gift appear to make me or my business partner biased?
- If I offer or accept this gift, and the media finds out, could it damage my reputation or that of my company?

Acceptable gifts may include:

- Promotional items, such as pens, books, notepads, mugs or magnets.
- Seasonal gift baskets or other commonplace items.
- Greeting cards and notes of gratitude for service.
- Institutional books.

We require our suppliers not to offer us this kind of gifts:

- Cash or cash equivalents, such as checks, gift cards or gift certificates.
- Luxury items, such as expensive watches or pens, fine wine or expensive electronics.
- Expensive tickets to an exclusive or sold-out event, such as a sporting event or a theater production not available to the public.



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