



CEMEX embraces the United Nation's Global Compact (UNGC), and we continuously work to align our operations and business strategy to its ten principles.

CEMEX and the UNGC:

- CEMEX has been a signatory member of the UNGC since 2004.
- In 2014, we signed a renewal of our commitment.
- On April 19th 2014 we submitted our COP, qualifying for the Global Compact Advanced Level.
- CEMEX is part of the Global Compact 100 Index, which identifies 100 publicly listed UNGC signatory companies based on their adherence to the Compact's ten principles.

To build a platform that allows us to be fully inclusive of stakeholders' concerns in our reports, in 2010 we implemented a materiality analysis, and updated it in 2013. The conclusions of the materiality analyses provided great insight on our stakeholders and top management main sustainability concerns for CEMEX, allowing us to establish a well defined group of sustainability issues to base our sustainability strategy and reporting. Continuing on this path, and to better align our report with stakeholder's main interests, CEMEX decided to prepare its 2014 Sustainable Development Report using the GRI-G4 Guidelines, opting for the "in accordance" Comprehensive option.

We communicate our progress at implementing the 10 Principles of the UNGC at the Advanced Level. All relevant information for our 2015 Communication on Progress (COP) is available in our 2014 Sustainable Development Report and in our GRI Content Index, both accessible at:

[www.cemex.com/SustainableDevelopment/GlobalReports.aspx](http://www.cemex.com/SustainableDevelopment/GlobalReports.aspx).

Please visit the UNGC website to see our disclosure:

<https://www.unglobalcompact.org/COPs/advanced/154251>

In the following table, we are providing a summary of the various ways in which we have been working to implement the Global Compact's principles during 2014. For full information about our progress, performance indicators, and results, please see our 2014 Sustainable Development Report and GRI Content Index.

## HUMAN RIGHTS

For full information about our progress regarding Human Rights, please see our 2014 Sustainable Development Report and GRI Content Index.

- **Principle 1:** Businesses should support and respect the protection of internationally proclaimed human rights > GRI G4-HR2, G4-HR7, G4-HR8, G4-HR9, G4-HR12, G4-SO1, G4-SO2.
- **Principle 2:** Businesses should make sure that they are not complicit in human rights abuses > GRI G4-HR1, G4-HR10, G4-HR11.

<p><b>Criterion 3:</b> The COP describes robust commitments, strategies or policies in the area of human rights.</p>	<ul style="list-style-type: none"> <li>• At CEMEX, we believe not only in making strong sustainability commitments, but in taking action to ensure we fulfill those commitments. We are an organization of people with unmatched passion and integrity, with values that result in respectful and productive relationships.</li> <li>• CEMEX is fully committed to the Universal Declaration of Human Rights.</li> <li>• Similarly, we embrace the UN Guiding Principles on Business and Human Rights, also referred to as the “Ruggie Framework.” To make sure we are properly implementing these Principles, during 2013 we worked with Shift, an independent, non-profit center for business and human rights practice whose team of experts was directly involved in shaping and writing the UN Guiding Principles.</li> <li>• As a result, in 2014 our Corporate Human Rights Policy was signed and approved by our CEO. We rolled out the Human Rights Policy that uses the three pillars that form the foundation of the UN Guiding Principles – Protect, Respect and Remedy. The comprehensive human rights policy expands on our existing programs and reporting mechanisms.</li> <li>• Our Code of Ethics establishes our commitment to human rights. 100% of our new suppliers sign our Code of Conduct and our Code of Conduct when Doing Business with Us.</li> <li>• Our Redefined Sustainability Model has key objectives to address social global challenges, including: Poverty, Income Inequality, Aging Population, and Unemployment.</li> <li>• We proactively work to ensure our own practices, as well as those of our suppliers, partners and others within the value chain, respect the rights of individuals and the communities in which we operate.</li> </ul>
<p><b>Criterion 4:</b> The COP describes effective management systems to integrate the human rights principles.</p>	<ul style="list-style-type: none"> <li>• At CEMEX, each of our business units has an Enterprise Risk Management (ERM) process in place. ERM aims to support top management across the organization in the decision making process, reducing the impact of adverse events and capitalizing on opportunities. Among other topics, ERM monitors and assesses any type of potential risk including human rights violations.</li> <li>• In 2014, we provided a total of 11,027 training hours on Human Rights-related issues that are relevant to our operations covering 25 percent of our employees.</li> <li>• We also launched global communication campaigns to provide information and raise awareness on important ethics and human rights topics; and to promote our reporting mechanism, ETHOSline, as well as our Policy Center, among others.</li> <li>• The CEMEX Sustainability Committee, created during 2014, assists the board in overseeing strategies designed to manage environmental, social, economic, and governance related risks. It also reviews the effectiveness of policies and procedures relating to health and safety, employment practices, stakeholder relationships, environment, human rights, resources preservation, authorities involvement and sustainable development.</li> </ul>
<p><b>Criterion 5:</b> The COP describes effective monitoring and evaluation mechanisms of human rights integration.</p>	<ul style="list-style-type: none"> <li>• Employees are encouraged to report any potential ethics violation to the Human Resources Department, the Local Ethics Committee or through our ETHOSline. ETHOSline is offered as a safe and confidential tool for employees and the public in general to ask questions and report potential violations, including human rights.</li> </ul>

## LABOR

For full information about our progress regarding Labor Practices, please see our 2014 Sustainable Development Report and GRI Content Index.

- **Principle 3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining > GRI G4-11, G4-HR4, G4-LA4.
- **Principle 4.** Businesses should uphold the elimination of all forms of forced and compulsory labor > GRI G4-HR6.
- **Principle 5.** Businesses should uphold the effective abolition of child labor > GRI G4-HR5.
- **Principle 6.** Businesses should uphold the elimination of discrimination in respect of employment and occupation > GRI G4-10, G4-EC5, G4-EC6, G4-LA1, G4-LA3, G4-LA9, G4-LA11, G4-LA2, G4-LA13, G4-HR3.

<p><b>Criterion 6:</b> The COP describes robust commitments, strategies or policies in the area of labour.</p>	<ul style="list-style-type: none"> <li>• At CEMEX, we value our employees. Our people are our competitive advantage and the reason we are successful. That is why we hire the best and the brightest and we take care of them.</li> <li>• CEMEX is fully committed to the ILO's Declaration of Fundamental Principles and Rights of Work, a set of internationally recognized human rights encompassing a wide range of issues.</li> <li>• 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.</li> <li>• In CEMEX no one is forced to perform any task that is hazardous or detrimental to their health or wellbeing. All employees are free to leave the company at any time and we don't offer any benefit as leverage to force labor.</li> <li>• We are strongly committed to protecting the rules regarding child labor in every country we operate.</li> <li>• Our Code of Ethics establishes CEMEX's commitment to our people. 100% of our new suppliers sign our Code of Conduct and our Code of Conduct when Doing Business with Us.</li> </ul>
<p><b>Criterion 7:</b> The COP describes effective management systems to integrate the labour principles.</p>	<ul style="list-style-type: none"> <li>• A larger percentage of our operative workforce are represented by a union or covered under a collective bargaining agreement. Additionally, collective bargaining processes are an essential element in our employee engagement activities.</li> <li>• Our company policy is to only hire people who are 18 or older. Our selection and hiring process requires the presentation of government-issued identification, as well as a rigorous investigation of the person's information. This process also extends to our contracted labor suppliers.</li> <li>• Our operations in every country comply with the local laws.</li> <li>• As stated in our Code of Ethics: CEMEX clearly recognizes, supports, and respects the right of its employees to exercise freedom of association in our operations; CEMEX is committed to comply with all forced labor prohibitions; The prohibition of the use of child labor is plainly indicated; Our employment decisions should be made solely on merit, and not on any legally protected traits such as age, race, ethnicity, religion, disability, marital status or sexual orientation, among other factors.</li> </ul>
<p><b>Criterion 8:</b> The COP describes effective monitoring and evaluation mechanisms of labour principles integration.</p>	<ul style="list-style-type: none"> <li>• Employees are encouraged to report any potential labor violation to the Human Resources Department, the Local Ethics Committee or through our ETHOSline. ETHOSline is offered as a safe and confidential tool for employees and the public in general to ask questions and report potential violations, including labor practices.</li> </ul>

## ENVIRONMENT

For full information about our progress regarding Environmental Excellence, please see our 2014 Sustainable Development Report and GRI Content Index.

- **Principle 7.** Businesses should support a precautionary approach to environmental challenges > GRI G4-E2, G4-EN1, G4-EN3, G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN20, G4-EN21, G4-EN27, G4-EN31.
- **Principle 8.** Businesses should undertake initiatives to promote greater environmental responsibility > GRI G4-EN1–34.
- **Principle 9.** Businesses should encourage the development and diffusion of environmentally friendly technologies > GRI G4-EN6, G4-EN6, G4-EN19, G4-EN27, G4-EN31.

<p><b>Criterion 9:</b> The COP describes robust commitments, strategies or policies in the area of environmental stewardship</p>	<ul style="list-style-type: none"> <li>• For CEMEX, reaching environmental excellence is a main objective. We dedicate significant efforts to address key sustainability-related issues, from biodiversity and conservation to renewable energy, climate change and emissions monitoring.</li> <li>• CEMEX commitment is reflected through our key policies: Environmental Policy, Biodiversity Policy, Water Policy, and Conflict Minerals Policy; as well as the Biodiversity Action Plan Standard.</li> <li>• Other key principles that guide our effort towards environmental excellence include our position papers: Aggregates Recycling, Green Building Schemes, Climate Change, Alternative Fuels, Market Mechanisms for Mitigating Climate Change, Carbon Capture and Storage, Environmental Management and Biodiversity, Sustainable Construction.</li> <li>• Our Code of Ethics establishes our commitment to improve our processes and procedures to minimize our impact on the environment. 100% of our new suppliers sign our Code of Conduct and our Code of Conduct when Doing Business with Us.</li> <li>• Our Redefined Sustainability Model has specific objectives to address environmental global challenges, including: Climate Change, Resource Scarcity, and Biodiversity Loss.</li> <li>• In 2014 we established new ambitious 2020 goals for: alternative fuel rate, reduction in CO<sub>2</sub> per ton of cementitious product, clinker produced with continuous monitoring of major emissions, yearly dust emissions per ton of clinker, yearly NO<sub>x</sub> emissions per ton of clinker, yearly SO<sub>x</sub> emissions per ton of clinker, active quarries with high Biodiversity Action Plans implemented, and water consumption.</li> </ul>
<p><b>Criterion 10:</b> The COP describes effective management systems to integrate the environmental principles.</p>	<ul style="list-style-type: none"> <li>• It is our goal to have all our operations under the CEMEX Environmental Management System (EMS) – compatible with similar standards such as ISO 14001 and the EU Eco-Management and Audit Scheme (EMAS).</li> <li>• CEMEX has developed a user-friendly online learning tool to help top and middle management gain a solid understanding of sustainability. The Leadership in Sustainability Training Program covers key issues impacting executives’ lives and the sector in which CEMEX operates, as well as the implications for how we manage and run our operations and provide value to customers.</li> <li>• The CEMEX Sustainability Committee, created during 2014, assists the board in overseeing strategies designed to manage environmental, social, economic, and governance related risks. It also reviews the effectiveness of policies and procedures relating to health and safety, employment practices, stakeholder relationships, environment, human rights, resources preservation, authorities involvement and sustainable development.</li> </ul>
<p><b>Criterion 11:</b> The COP describes effective monitoring and evaluation mechanisms for environmental stewardship.</p>	<ul style="list-style-type: none"> <li>• Committed to transparency, for the third consecutive year, in 2014 CEMEX was named one of the best Latin American companies in terms of Climate Change Data Disclosure by the Carbon Disclosure Project (CDP), ranking among the top eight companies.</li> <li>• As part of the Supplier Sustainability Program, created in 2010, we work with a third-party sustainability supply management firm that monitors suppliers in terms of social, environmental, ethical and financial performance, including the UN Global Compact principles.</li> <li>• To enhance reliability, since 2007, we conduct external limited assurance for a number of our key performance indicators for our industry, including CO<sub>2</sub>, dust, NO<sub>x</sub> and SO<sub>x</sub> emissions, and Environmental Incidents.</li> <li>• We continually invest in new technology to monitor hazardous and nonhazardous waste generation in all of our operations; major and minor emissions; and other new systems, for example new technology required to comply with the U.S. EPA amended National Emission Standards for Hazardous Air Pollutants (NESHAP).</li> </ul>

## ANTI-CORRUPTION

For full information about our progress regarding our Anti-corruption Actions, please see our 2014 Sustainable Development Report and GRI Content Index.

- **Principle 10.** Businesses should work against corruption in all its forms, including extortion and bribery > GRI G4-56, G4-57, G4-58, G4-SO3, G4-SO4, G4-SO5, G4-SO6.

<p><b>Criterion 12:</b> The COP describes robust commitments, strategies or policies in the area of anti-corruption</p>	<ul style="list-style-type: none"> <li>• We have zero tolerance for bribery in any form.</li> <li>• At CEMEX, we must comply with all applicable laws and policies, without exception. To instill a strong, responsible culture within our workplace, CEMEX recognizes that “Act with Integrity” is one of the five main values that reflect who we are as a company and guides our daily actions and decisions.</li> <li>• Our Code of Ethics establishes our anti-corruption commitment. 100% of our new suppliers sign our Code of Conduct and our Code of Conduct when Doing Business with Us.</li> <li>• Our Anti-Bribery/Anti-Corruption Policy, Antitrust Compliance Policy and Insider Trading Policy further demonstrate our expectations and global standards and are continuously updated to reflect the latest developments and corresponding regulations.</li> <li>• All supplier contracts include not only anti-bribery clauses, but also anti-bribery certification letter. Moreover, CEMEX makes its best effort to analyze suppliers’ historical corruption behavior prior to signing a contract.</li> </ul>
<p><b>Criterion 13:</b> The COP describes effective management systems to integrate the anti-corruption principle</p>	<ul style="list-style-type: none"> <li>• Critical to our ethics and compliance program is leadership involvement. Continually Country Managers promote expected behaviors and reinforced our institutional reporting mechanisms.</li> <li>• To keep everyone up to speed with a firm understanding of the values and expectations outlined in the Code of Ethics and Business Conduct, we provide regular training and communication about our policies and human rights issues.</li> </ul>
<p><b>Criterion 14:</b> The COP describes effective monitoring and evaluation mechanisms for the integration of anti corruption</p>	<ul style="list-style-type: none"> <li>• At CEMEX, we rely on the ETHOSline as our secure reporting channel. Available 24 hours a day, seven days a week, ETHOSline provides employees with an online portal and phone line for sending comments, requesting advice and submitting complaints. To protect employees, the service is managed by a third-party that gathers incident information, documents concerns and relays the information to CEMEX.</li> <li>• In 2014, ETHOSline was made available to the public, providing an outlet where they can voice their concerns and report any suspected violations to our policies, values and Code of Ethics.</li> <li>• To further ensure employees are acting in a manner consistent with our values, CEMEX Compliance Legal Department conducts internal legal audits directed to executives of sensitive business areas in numerous countries.</li> </ul>

Other Criteria	GRI Reference
<b>Implementing the Ten Principles into Strategies &amp; Operations</b>	
Criterion 1: The COP describes mainstreaming into corporate functions and business units.	G4-34 – G4-55
Criterion 2: The COP describes value chain implementation.	G4-12, G4-13, G4-41  G4-EC9, G4-EN4, G4-EN17, G4-EN32, G4-EN33, G4-LA6, G4-LA14, G4-LA15, G4-HR4 – G4-HR6, G4-HR10, G4-SO9 - G4-SO10  Aspect-specific DMA Guidance on Supplier Assessment for: Impacts on Society, Human Rights Assessment, Environmental Assessment, and Labor Rights.
<b>Taking Action in Support of Broader UN Goals and Issues</b>	
Criterion 15: The COP describes core business contributions to UN goals and issues.	Disclosures on Management Approach for Aspects under Economic, Environmental, and Social (Labor Practices and Decent Work, Human Rights, Society, Product Responsibility)
Criterion 16: The COP describes strategic social investments and philanthropy.	
Criterion 17: The COP describes advocacy and public policy engagement.	
Criterion 18: The COP describes partnerships and collective action.	
<b>Corporate Sustainability Governance and Leadership</b>	
Criterion 19: The COP describes CEO commitment and leadership.	G4-1 and G4-2
Criterion 20: The COP describes Board adoption and oversight.	G4-34 – G4-55
Criterion 21: The COP describes stakeholder engagement.	G4-24 – G4-27
<b>Context of Operation and Verification</b>	
Organizational Profile	G4-3 - G4-13
Assurance	G4-33