

building a BETTER FUTURE



2010 sustainable development report
EXECUTIVE SUMMARY



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OUR COVER

Our cover shows the project “El Acantilado – Hábitat Ecológico”, a CEMEX Building Awards sustainable construction project. Photo: Pedro Truyol

GRI A+ SCORE

We applied the Global Reporting Initiative (GRI) G3 Sustainability Reporting Guidelines to produce our full report, which meets an application level of A+ for the third consecutive year. We provide a GRI index and an index of United Nations Global Compact disclosures on our website at  www.cemex.com/sustainability



about CEMEX

We help our customers solve their building challenges

CEMEX is a global building materials company that provides products of consistently high quality and reliable service to customers and communities across the world.

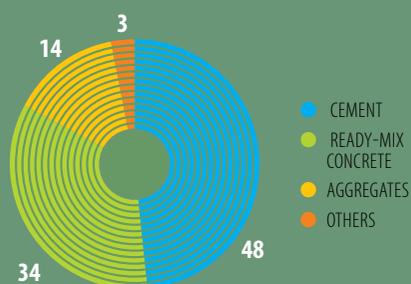
We advance the well-being of those we serve through our relentless focus on continuous improvement and our efforts to promote a sustainable future.

Our company was founded in Mexico in 1906, and we have grown from a local player to one of the top global companies in our industry, with close to 46,500 employees worldwide. Today we are strategically positioned in the Americas, Europe, Africa, the Middle East, and Asia. Our operations network produces, distributes, and markets cement, ready-mix concrete, aggregates, and related building materials to customers in over 50 countries, and we maintain trade relationships in approximately 100 nations.

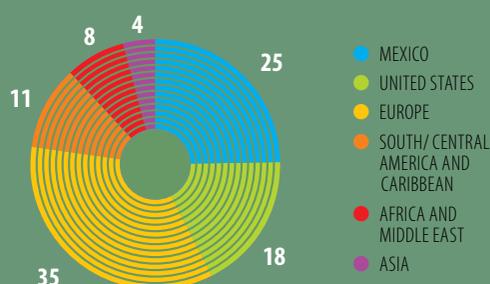
Quick Facts (as of December 31, 2010)

- CEMEX, S.A.B. de C.V., (**NYSE: CX / BMV: CEMEX**), a holding company, is a public stock corporation with variable capital (S.A.B. de C.V.) organized under the laws of the United Mexican States (Mexico)
- Founded in **Mexico in 1906**
- World's **leading supplier of ready-mix concrete**, a leading cement and aggregates producer, one of the world's largest producers of White Portland Cement, and one of the top cement and clinker traders in the world.
- Presence in more than **50 countries** and trade relationships in approximately 100 nations
- Close to **46,500 employees** worldwide
- Annual production capacity of **96 million metric tons of cement**
- Annual production levels of approximately **51 million cubic meters of ready-mix concrete** and more than **158 million metric tons of aggregates**
- **62 cement plants**, close to **2,000 ready-mix concrete facilities**, and a minority participation in 12 cement plants
- **376 aggregate quarries**, **223 land-distribution centers**, and **71 marine terminals**
- Our customers range from global construction firms to individuals building their homes

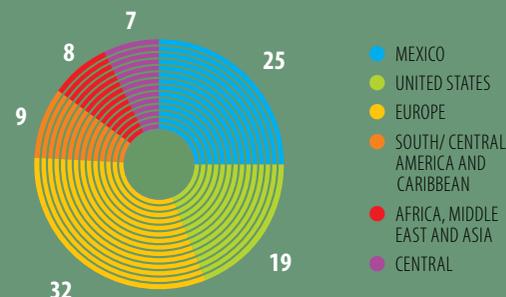
SALES DISTRIBUTION BY PRODUCT
percentage



SALES GEOGRAPHIC DISTRIBUTION
percentage

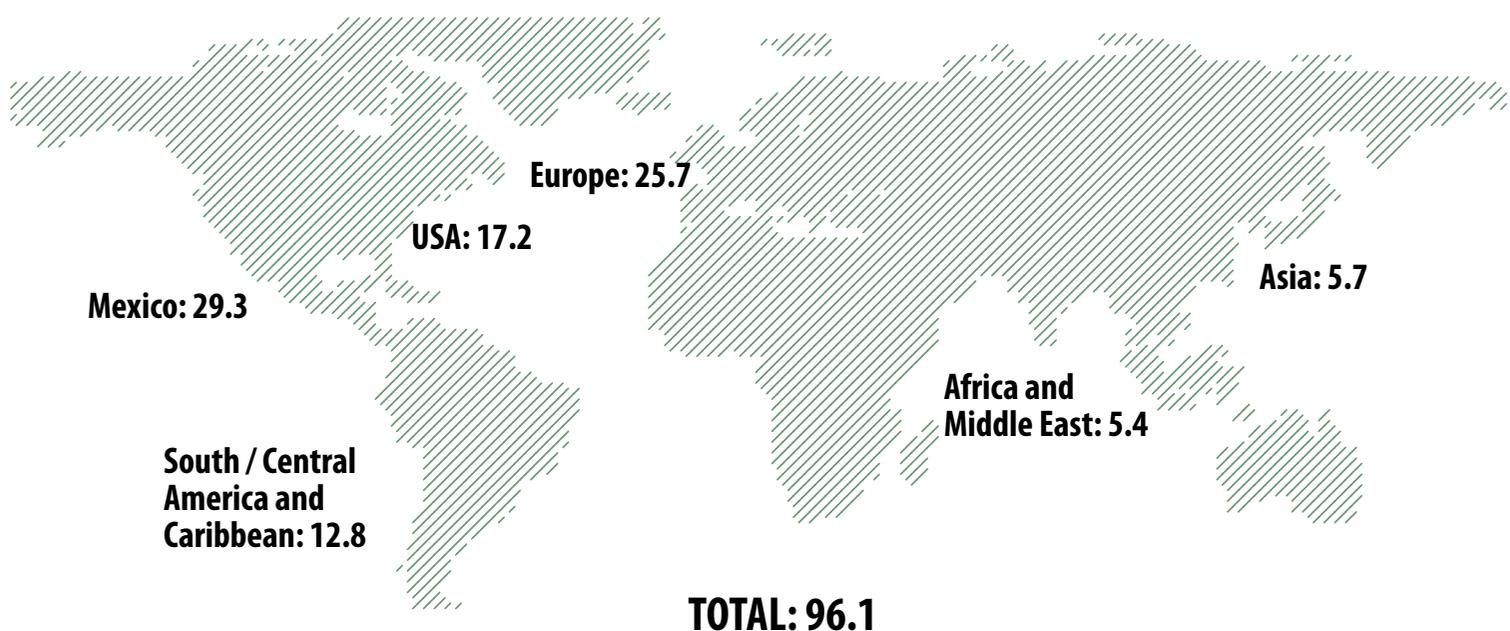


WORKFORCE GEOGRAPHIC DISTRIBUTION
percentage



2010 Global Operations

Cement Production Capacity (million metric tons/year)



MESSAGE from our chairman and CEO

“Sustainability is central to our business strategy and key to our future growth.”

TO OUR STAKEHOLDERS:

For CEMEX, 2010 was a transitional year, as the global building materials sector continued an uneven recovery from the great recession. We strengthened both our business model and our balance sheet, positioning our company for long-term profitable growth. At the same time, we intensified our commitment to integrating sustainability into all aspects of our world-wide business.

Sustainability is central to our business strategy and one of the keys to our future growth. As the largest concrete producer in the world, we have both a responsibility and a great opportunity to help lead the transition to a truly sustainable construction industry. That, in turn, would be a critical element of a low carbon economy.

The challenges of building the sustainable housing and infrastructure required by a growing global population are immense. Society needs innovations not only in design, materials, and construction processes, but also in creating access to green housing and infrastructure, especially for those who are in most need. CEMEX is committed to helping stimulate those innovations, while improving the sustainability of our own operations and increasing our social investment.

I am pleased to report that we made progress on all those fronts last year.

For example, although concrete is the most inherently sustainable building material, we intensified our work to improve its characteristics. This included developing concretes that improve structural strength, provide extra insulation or allow water to filter through.

We also introduced a carbon footprint tool- the first of its kind in the building materials industry- that allows us to measure the greenhouse gas emissions of our cement, ready-mix, and aggregates products. The tool has already been implemented in all of CEMEX's operating cement plants, and is now being extended across our ready-mix and aggregates operations worldwide. As a result, we will begin to roll out carbon content information for our products during 2011.

We significantly increased the use of lower-carbon alternative fuels in our kilns. In 2010 our alternative-fuel use rose to 20.3 percent of our total fuel mix, almost doubling from the 10.3 percent recorded in 2008. Partly as a result, we are on course to avoid 25 percent of specific net CO₂ emissions related to manufacture of cementitious products by 2015 compared to our 1990 baseline.

CEMEX has a longstanding and well-documented commitment to biodiversity and wilderness preservation. In concert with this tradition, last year we and our partners at BirdLife International completed a multi-year scoping study on the biodiversity status of our worldwide cement and aggregates operations. We assessed 543 sites and identified 131 sites that overlap with areas of high biodiversity value. We are using this study to develop biodiversity action plans.

During 2010, we continued our initiatives to build affordable housing and infrastructure in developing markets. Last year alone, more than 45,000 families were able to improve their homes through our Patrimonio Hoy program, bringing the total to more than 300,000 since we started the program in 1998. The World Business and Development Awards organized by the United Nations Development Program, the International Chamber of Commerce, and the International Business Leader Fund, recognized our contributions towards achieving the Millennium Development Goals through programs such as Centros Productivos de Autoempleo, which we expanded to Colombia in 2010.

Last year witnessed a number of extreme weather events and natural disasters that severely affected countries and communities where CEMEX operates. In response, we intensified our disaster relief efforts, providing emergency humanitarian aid and supporting long-term reconstruction efforts.

After the 2010 Haiti earthquake, CEMEX raised US\$750,000 in company and employee contributions, with donations from more than 2,500 employees in 29 countries, to help support both emergency relief and reconstruction efforts. Additionally, we provided direct assistance in Haiti itself. After June's catastrophic flooding in Central Europe, CEMEX focused on Poland and northeastern Hungary, where the damage was greatest. We provided machinery to help drain the water and clear roads, and donated construction materials to reinforce flood banks. In Northern Mexico, Hurricane Alex produced record-breaking rainfall during early July, creating widespread flooding and leaving thousands homeless or without access to water or electricity. CEMEX and our employees responded with significant donations of time, money and equipment as part of the cleanup, relief and reconstruction efforts.

An integral part of our sustainability commitment is our continuing, company-wide effort to improve workplace and community safety. The safety and well-being of our employees, contractors, and other third parties involved in our operations is paramount. While we made significant progress in many health and safety-related areas last year, we are profoundly sorry to report that in 2010 there were 46 employee, contractor and third-party fatalities related to our operations. This is unacceptable to us: we refuse to accept even one such tragedy as inevitable.

Zero tolerance for accidents requires constant innovation. In this spirit, we have continued to roll out the LEGACY training program globally. In 2011 we will launch new health and safety policies, implement our new Health and Safety Management System, and require greater accountability for safety performance from all our managers.

At CEMEX, we know that sustainability is a fundamental—and urgent—requirement of planetary survival, and we are deeply committed to pursuing an aggressive sustainability agenda in our industry, in our communities and in the countries where we operate.



Lorenzo H. Zambrano
Chairman of the Board and Chief Executive Officer

We have continued to work with a broad range of stakeholders—including customers, suppliers, employees, shareholders, neighboring communities, NGOs, universities and governments—to develop and promote best practices, innovative research and positive policy solutions.

For example, at the 2010 World Economic Forum in Latin America, we proposed a new model for urban development and urged new alliances among key stakeholders to finance housing projects. And, at the end of the year, CEMEX was an official sponsor of the COP 16 meeting in Cancun, Mexico, contributing to the global climate change debate with initiatives that highlighted how existing building and energy technologies can help the transition to a low carbon world.

Every CEMEX employee recognizes that sustainability requires constant effort, innovation and commitment both as individuals and as a company. We are grateful for the input of the Sustainable Development Reporting Advisory Panel in our ongoing effort to report more transparently on our challenges as well as our successes. Their guidance is invaluable to this process. At the same time, we invite feedback from all of our stakeholders and look forward to continually improving our performance in the coming years.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lorenzo H. Zambrano', written over a horizontal line.

Lorenzo H. Zambrano
Chairman of the Board and Chief Executive Officer

PERFORMANCE summary

The following tables provide an overview of our performance indicators and progress toward our companywide sustainability targets. We are committed to improving our performance in all areas and will continue to disclose our achievements and challenges. Unless otherwise specified, the information provided is for the company as a whole. The full list of indicators, broken down by business segments where available, can be found in the Performance in Detail section of the full version of our 2010 Sustainable Development Report available for download in our corporate website.

This year we have added indicators corresponding to our objective to Enhance our Value creation, specifically in our priority to Lead in Sustainable Construction and focusing on our new CO₂ Footprint tool.

The indicators marked with  were subject to an external limited assurance process by PwC. The assurance statement detailing the review work and conclusions can also be found on the full version of our 2010 Sustainable Development Report.

Enhance our value creation	2008	2009	2010	Targets	Progress	Assurance
				2015		
Lead in Sustainable Construction						
Production covered with the CO ₂ Footprint Tool (%) ⁽¹⁾	--	--	58	100		
Cement	--	--	100	100		
Aggregates	--	--	50	100		
Ready-mix concrete	--	--	32	100		
CO₂ footprint - Annual average						
Cement (Kg CO ₂ e per ton cement)	--	--	798			
Aggregates (Kg CO ₂ e per ton aggregates products)	--	--	5.3			
Ready-mix (Kg CO ₂ e per m ³)	--	--	298			

Manage our footprint	2008	2009	2010	Targets	Progress	Assurance
				2015		
Enhance our Carbon Strategy						
Absolute net CO ₂ emissions (million metric tons) ⁽²⁾	48.2	39.7	41.0			
Specific net CO ₂ emissions (kg CO ₂ /metric ton of cementitious product) ⁽²⁾	654	627	629	602		
Reduction in CO ₂ emissions per ton of cementitious product from 1990 baseline (%)	17.4	20.7	20.5	25		
Thermal energy efficiency of clinker production (MJ/ton clinker) ⁽²⁾	3,741	3,693	3,696			
Alternative fuels rate (%) ⁽²⁾	10.3	16.4	20.3	35 ⁽⁵⁾		
Alternative fossil fuels rate (%)	8.6	13.2	15.7			
Biomass fuels rate (%)	1.7	3.2	4.6			
Alternative raw material rate (%) ⁽²⁾	12.0	12.2	11.8	12		
Clinker / cement factor (%) ⁽²⁾	75.4	75.2	75.9			

 We have achieved our target  We are currently on track to achieve our target  Extra effort required to achieve target

	2008	2009	2010	Targets 2015	Progress	Assurance
Excellence in Environmental and Biodiversity Management						
Clinker produced with continuous monitoring of major emissions: Dust, NOx and SOx (%) ⁽²⁾	44	60	74	100	○	☑
Specific Dust emissions (g/ton clinker) ⁽²⁾	162	106	89	155 ⁽⁶⁾	●	☑
Specific NOx emissions (g/ton clinker) ⁽²⁾	1,742	1,063	1,134	1,667 ⁽⁶⁾	●	☑
Specific SOx emissions (g/ton clinker) ⁽²⁾	484	410	334	519 ⁽⁶⁾	●	☑
Active sites with quarry rehabilitation plans (%)	46	82	85	100	○	
Active quarries within or adjacent to high biodiversity value areas (#)	NA	112	105			
Active sites with high biodiversity value where biodiversity plans are implemented (%)	NA	29	38	100	○	
Operations with water recycling systems (%) ⁽³⁾	82	76	85			
Environmental investment (US million) ⁽⁴⁾	\$62	\$77	\$93			
Major environmental incidents (#)	19	8	2			☑
Environmental non-compliance cases (#)	67	67	65			
Associated fines (US million)	4.1	1.3	1.4			
Operations with an Environmental Management System implemented (%) ⁽³⁾	30	50	76			

	2008	2009	2010	Targets 2015	Progress	Assurance
Engage our stakeholders						
High priority to Health & Safety						
Total fatalities, employees, contractors, and third parties (#)	45	33	46		●	☑
Fatality rate, employees (per 10,000 employees)	1.16	1.56	0.43			☑
Lost-Time Injuries (LTI), employees (#)	654	360	268			☑
Lost-Time Injuries (LTI), contractors (#)	165	154	123			
Lost-Time Injury (LTI) frequency rate, employees (per million hours worked)	4.8	3.2	2.6	0.5 ⁽⁷⁾	○	☑
Sickness Absence Rate per employee (%) ⁽⁸⁾	–	5.2	2.5			
% Compliance with CSI Driving Safety Recommended Practices ⁽⁹⁾	–	–	64	100	○	
% Compliance with CSI Contractor Safety Recommended Practices ⁽⁹⁾	–	–	63	100	○	
Operations with a Safety Management System implemented (%) ⁽¹⁰⁾	80	98	98			
Operations with a Health Management System implemented (%) ⁽¹⁰⁾	52	76	79			

Strengthen Local Communities						
Sites with community engagement plans (%)	88	85	97			
Families participating in Patrimonio Hoy in Latin America (# accumulated) ⁽³⁾	223,745	263,212	308,311			
Mexico ⁽³⁾	218,637	251,828	294,173			
Other Latin American Countries ⁽³⁾	5,108	11,384	14,138			

⁽¹⁾ The CO₂ Footprint tool was implemented in 2010. All figures are based on 2009 volumes. In October 2010, DNV performed the certification of our carbon footprint calculation methodology based on data from 2009. CEMEX has established a target of 100% implementation by the end of 2011.

⁽²⁾ Only cement operations

⁽³⁾ Historic figures recalculated due to an improvement in measurement, as well as changes in the consolidation perimeter (increase in the number of sites reporting)

⁽⁴⁾ Include environmental, alternative fuels and cementitious material investments

⁽⁵⁾ Target and year of compliance updated from 2020 to 2015, given 15% was achieved in 2009.

⁽⁶⁾ As emission targets for 2015 have been already met, CEMEX is undergoing a thorough analysis of its operations and market developments to set new, challenging targets for 2015.

⁽⁷⁾ A new target of 0.5 has been established to ensure we continue to work towards our ultimate goal of zero LTIs.

⁽⁸⁾ We believe that the previous Health Indicator for “% employees sickness absence rate in annual medical exams” was difficult to progress globally given the difficulty in some countries to legally conduct these exams for workers. A new indicator showing our employee sickness absence rate is universally tracked and was agreed to be a more relevant indicator to measure our progress in health.

⁽⁹⁾ Having achieved close to 100% of the previous target “% of operations with safety training programs for drivers”, new KPIs to track our progress in complying with the CSI Driving and Contractor standards were introduced.

⁽¹⁰⁾ In 2010, the separate Health and Safety Management Systems were combined to create a single HSMS, hence a new KPI tracking implementation progress of this new system was introduced.

NA = Data not available

Envisioning a sustainable future

As a leading company in the global building materials industry, CEMEX is positioned at the convergence of great environmental and social challenges.

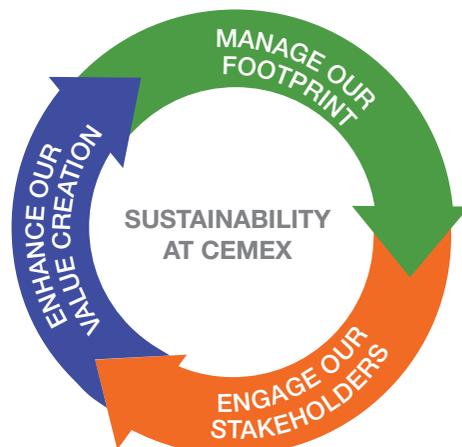
sustainability VISION and model

Given the importance of the sustainability-related challenges that society is facing, CEMEX has integrated sustainability into its business strategy. With the help of our Sustainability Model, we are incorporating sustainability practices into all of our day-to-day operations and decision-making processes worldwide. Our model ensures that we concentrate our efforts and resources on the issues of highest relevance to our business and greatest concern to our stakeholders.

CEMEX's sustainability model

We have three main sustainability objectives:

Enhance Our Value Creation: CEMEX aims to deliver the innovative, high-performing products, services, and solutions that our resource-constrained society requires in order to create a growing and profitable low-carbon economy. By fulfilling the needs of the construction sector in its efforts to adopt more sustainable operating practices, we aim to create long-lasting competitive advantages.



Manage Our Footprint: CEMEX strives to minimize the ecological impacts of its operations on the communities in which it operates. Such impacts are carefully identified and measured so that we can continuously reduce our footprint to the lowest level that is both technically and economically feasible. We also have a robust pipeline of projects that provide carbon offsets to further reduce our net impact.

Engage Our Stakeholders: CEMEX fosters positive, long-term relationships with key stakeholders to address the pressing needs and concerns of society. With a highly committed and empowered employee base, CEMEX closely collaborates with a broad variety of institutions that allow us to complement our core competences and enable us to generate social benefits that contribute to strengthening local communities.

CEMEX's sustainability priorities

We have identified seven priorities in our Sustainability Model. The definition of these priorities has followed a structured process of both internal and external consultations where we have measured the impact that the main sustainability issues have on our stakeholders and on CEMEX operations. For this matter, we have performed a Materiality Analysis which is furthermore explained in our About this Report section.

Our seven priorities aligned to each of our three objectives are the focus of our 2010 Sustainable Development Report:

Enhance our Value Creation:

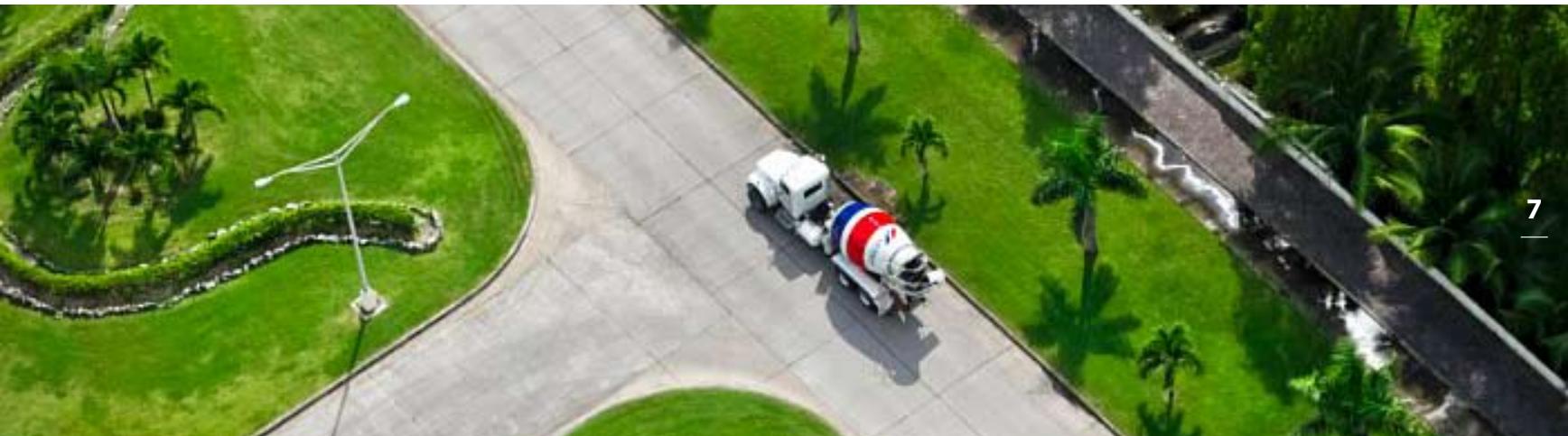
- Lead in Sustainable Construction
- Low-Income Housing & Infrastructure

Manage our Footprint:

- Enhance Our Carbon Strategy
- Excellence in Environmental & Biodiversity Management

Engage our Stakeholders:

- High Priority to Health & Safety
- Strengthen Local Communities
- Partnership with Key Stakeholders



CEMEX's key stakeholders

By building strong, long-term relationships with our key stakeholders, we increase our responsiveness to their needs and concerns, find new ways to reduce our impacts, contribute to sustainable development worldwide, and make CEMEX a more competitive and profitable enterprise.



Our People

We aim to be the employer of choice in our markets. We seek to provide the most attractive opportunities for employees' personal and professional development.

Our Neighbors

We are a good neighbor. We participate with communities openly and directly in order to build trust and address their concerns.

Our Business Partners

We work to be the business partner of choice. We seek to help our suppliers and customers build their businesses and to create enduring value for our shareholders.

Our World

We are a good global citizen. As a global company, we work to contribute to international efforts to address some of the world's most complex challenges, including climate change, access to housing and community infrastructure, and the conservation of biodiversity.

LEAD in sustainable construction

In 2010, we introduced the first carbon footprint tool in the industry

58% of our total worldwide production has implemented the tool

As the largest producer of concrete in the world, CEMEX sees an enormous opportunity in the future of the global construction industry. However, along with this opportunity, comes a corresponding responsibility. CEMEX is rising to the challenge with a three-part strategy to:

- develop better building products and solutions
- support the design and renovation of buildings
- promote and enable sustainable urban planning

DEVELOPING BETTER BUILDING PRODUCTS AND SOLUTIONS

Led by our Global Center for Technology and Innovation in Switzerland, CEMEX technology centers around the world are creating a range of innovative concrete products to meet the construction industry's growing demand for high-performance, low-carbon building solutions. Some of our most relevant offerings are: self-compacting concrete, insulating concrete forms, impervious concrete (Impercem®), high-strength concrete, specially designed high-performance concrete, permeable concrete, structural insulation concrete, and low CO₂ footprint self compacting and easy compacting concrete, among others.

SUPPORTING THE DESIGN AND RENOVATION OF BUILDINGS

Given the challenge to develop not only sustainable building materials, but also more sustainable buildings, we have taken a leadership role in several partnerships and policy organizations focused on sustainable building and development, including:

- The World Business Council for Sustainable Development's (WBCSD) Energy Efficiency in Buildings initiative to set new standards for the use of energy in buildings
- The establishment of the Concrete Sustainability Hub at the Massachusetts Institute of Technology that conducts research to examine and quantify benefits and savings from better use of concrete in buildings and pavements from a total life cycle cost perspective
- Our partnership with the World Green Building Council to further promote the mainstreaming of sustainable construction practices through the conference "Key Challenges for Construction in the 21st Century" during the 2010 COP16 meeting in Cancun, Mexico

PROMOTING SUSTAINABLE URBAN PLANNING PRACTICES

Sustainable development, especially the planning and development of more sustainable cities, may present the greatest challenge of the 21st century—one that will only be met if multiple stakeholders work together. With this in mind, we have taken the first steps towards this collaboration by participating as co-chair in the Urban Infrastructure Initiative created by the WBCSD. Additionally, during COP16, CEMEX presented "a vision of the city of the future." Our exhibit showcased how concrete's properties make it an ideal material for building sustainable cities, including infrastructure for clean energy sources, transportation infrastructure, energy efficient buildings, sustainable urban design and infrastructure, and industrial ecology systems.

www.cemex.com/SustainableDevelopment/CityOfTheFuture.aspx

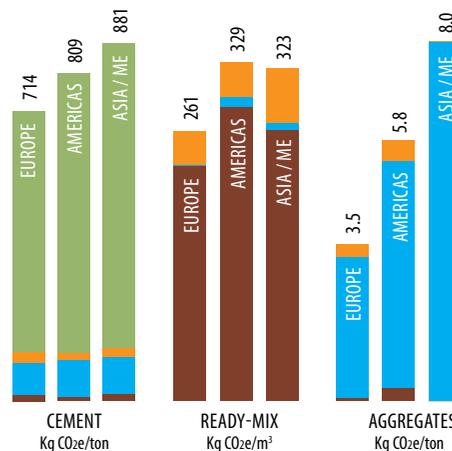
Established in 1991, the CEMEX Building Awards recognize outstanding construction projects and the talented individuals who contribute to their creation. The 2010 first-place winners in the sustainable construction category were the Split University Library in Croatia and the Ecological Interpretive Center "El Cielo" Biosphere Reserve in Mexico. www.cemexbuildingaward.com

New CO₂ footprint tool measures the greenhouse gas emissions of our building materials

In 2010, CEMEX introduced a carbon footprint tool, the first of its kind in the building materials industry. The tool measures emissions from "cradle-to-gate"—from raw material sourcing to the release of the finished product at the factory gate—which allows CEMEX to track the greenhouse gas emissions of all of its cement, ready-mix concrete, and aggregates products. We developed the carbon footprint methodology to help our customers calculate the footprint of their projects, perform a benchmark of company facilities, and collaborate with our clients in the selection of materials. CEMEX has implemented the carbon footprint tool at 629 sites worldwide, representing 58% of our company's production ⁽¹⁾. CEMEX's footprint tool has already been implemented in all of our operating cement plants, and is currently being rolled out across our ready-mix and aggregates operations worldwide.

CEMEX'S INITIAL GREENHOUSE GAS EMISSIONS FOOTPRINT ⁽¹⁾

■ raw materials ■ energy, fuel & others ■ transportation ■ direct emissions



⁽¹⁾ Calculated CO₂e for CEMEX operations, based on sites already implemented, using 2009 data.

In addition to the DNV certification standards, we considered the still-developing requirements of the draft versions of ISO 14067 and the WBCSD/WRI GHG protocol "Product Life Cycle Accounting and Reporting Standard" Review Draft for Stakeholder Advisory Group November 2009.

HELPING TO ELIMINATE HOUSING DEFICIT

CEMEX's housing strategy is designed to address the significant housing deficits in developing countries and demolish paradigms that limit the affordability of home ownership for low-income families by establishing cooperative relationships with key stakeholders:

- Working with communities: Through microfinance, training, equipment, technology, and expertise, CEMEX enables low-income individuals to build homes, businesses, and stronger communities.
- Working with developers: Working hand-in-hand with private developers, CEMEX brings needed resources, technology, and know-how to the development of low-income housing. In Mexico, the CEMEX Vivienda initiative supported developers in building 1,502 houses in 2010—170% more than in 2009.
- Attracting private investment: By orchestrating joint efforts between financial institutions, governments, NGOs, developers, and communities, CEMEX develops significant housing projects that provide a step towards homeownership and a decent standard of living for low-income people.

We support social and economic progress, especially in the developing countries where we operate by helping to build affordable housing and better, more modern, and durable community infrastructure.

Developing prototypes for affordable housing

CEMEX housing experts have developed the San Marcos prototype—consisting of a living room, two bedrooms, kitchen, and bathroom—which offers 35 square meters of living space expandable up to 84 square meters. Designs based on precast concrete forms make the structures sound, fast, and economical to build. The use of special products such as our sealing and water proofing Impercem® and Hidratium® and our antibacterial concrete add to the soundness and safety of these structures. During autumn 2010, the San Marcos prototype was tested as part of the Nuevo Leon Reconstruction Program for victims of Hurricane Alex.



San Marcos prototype: 35m² basic housing unit

low-income HOUSING and INFRASTRUCTURE

10 million square meters of urban and highway concrete paving completed in Mexico in 2010

+1,500 houses built in Mexico with support of CEMEX Vivienda

PARTNERING TO MAKE HIGH-SCALE INFRASTRUCTURE A REALITY

CEMEX works with governments to identify, coordinate, and develop infrastructure projects. In addition to our building materials, technical expertise, and equipment, we also bring turnkey solutions to high-scale infrastructure projects. Our involvement spans the entire life cycle: from originating new projects and helping to secure and structure financing through third-parties to executing and managing construction—and, in some cases, maintenance and toll road operation. Ultimately, we provide greater value for our public and private sector clients—offering the cost-effective, comprehensive solutions they need—while creating a competitive advantage and generating new market opportunities for CEMEX. In Mexico, we supported the completion of 7 million square meters of urban concrete paving and over 3 million square meters of highway concrete paving in 2010. Over the past 15 years, we have participated in 70 concrete road-building projects that have created 10,000 lane-kilometers of pavement surface for highways alone.

Rebuilding infrastructure in Tijuana, Mexico

CEMEX was a moving force in the recently completed Comprehensive Road Rehabilitation Project or PIRE (Programa Integral de Repavimentación) in Tijuana, Mexico, to rehabilitate and upgrade some 126 kilometers of the city's urban roadways. The use of concrete rather than asphalt in the project provided a more sustainable solution, as concrete allows for greater durability, safety, and light reflection, lower fuel consumption and temperatures, as well as lower lifecycle costs. CEMEX coordinated the environmental certification required for the project to obtain more than US\$110 million in financing from the North American Development Bank and the Border Environment Cooperation Commission.

ENHANCE our carbon STRATEGY

20.3% alternative fuels substitution rate

20.5% reduction of net CO₂ specific emissions, compared to our 1990 baseline

To reduce the overall carbon footprint of our operations, we have long been engaged in a multi-pronged approach, chiefly by:

- replacing traditional fossil fuels with lower-emission alternatives
- reducing the clinker content in cement
- increasing our use of renewable electricity
- exploring new carbon-reduction technologies and policies

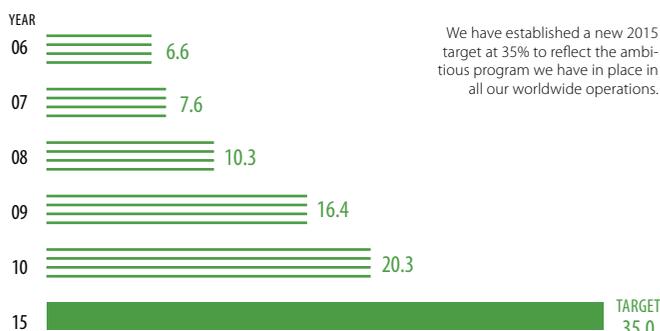
USING ALTERNATIVE FUELS TO REDUCE EMISSIONS

By replacing traditional fossil fuels with alternative fuels that are less CO₂ intensive or that recover energy from waste, we are measurably reducing both our CO₂ emissions and our fuel costs. We have quadrupled our use of alternative fuels since 2005. In 2010 alone, the share of alternative fuels in our total fuel mix reached 20.3% compared to 16.4% in 2009.

Cement kilns are ideal for safely disposing of—and capturing the recoverable energy in—waste materials, while avoiding landfilling. To ensure the environmentally and socially responsible use of alternative fuels in our kilns, CEMEX has established corporate guidelines that reflect best practices. We also engage with our communities to address their concerns and explain how the use of cement kilns for waste disposal is an environmentally friendly solution. We further meet with regulators to ensure that our use of alternative fuels is fully compliant with all applicable policies and regulations.

ALTERNATIVE FUELS SUBSTITUTION RATE

percentage



REDUCING OUR CLINKER FACTOR TO CUT EMISSIONS

We continue our efforts to reduce CO₂ emissions by replacing clinker with alternative cementitious materials such as fly ash, a by-product of coal-fired power stations, blast furnace slag, a by-product of the steel industry, and naturally occurring pozzolanic materials. In 1990, clinker comprised 84% of our cement; by 2010, we had reduced the clinker content of our cement to 76%.

INCREASING RENEWABLE ELECTRICITY USE

CEMEX is committed to securing renewable electricity sources. About 25% of the total electricity consumed by our Mexican cement operations comes from EURUS, a 250-megawatt wind farm located in Oaxaca, Mexico, developed jointly by CEMEX and ACCIONA. Additionally, our cement plant in Panama consumes only electricity sourced from hydropower. Moreover, in Rüdersdorf, Germany, a waste-to-energy plant was built for purpose of providing electricity to our neighboring cement plant.

EXPLORING NEW CARBON REDUCTION OPTIONS AND POLICIES

In 2009, the US Department of Energy's National Energy Technology Laboratory granted CEMEX funding to conduct groundwork for the development and demonstration of a commercial-scale carbon capture and storage (CCS) project at CEMEX's Odessa cement plant in Texas. This study, completed in 2010, concluded that commercial scale CCS in the cement industry is not yet ready for deployment and that significant research and development, public-private cooperation, and funding, as well as policy changes, will be required for CCS to realize its potential.

Additionally, CEMEX has successfully registered four Clean Development Mechanism (CDM) projects, for a total reduction of 850,000 tons of CO₂ per year. Achieved in December 2010, the latest United Nations Framework Convention on Climate Change approval is for a project at our Zapotiltic, Mexico, cement plant, where alternative fuels will be used to substitute petcoke. CEMEX has a pipeline of more than a dozen additional CDM projects under development.

CEMEX is a leading participant in the following initiatives:

- The WBCSD Cement Sustainability Initiative (CSI), where cement companies work to find solutions to the sustainability issues most important to the industry. CEMEX chairs its Communications and Concrete Task Forces.
- "Getting the Numbers Right", developed through the WBCSD's CSI, provides verified data on the cement industry CO₂ emissions.
- The Steering Committee of the UN Caring for Climate Initiative, through which business leaders and government decision-makers discuss practical climate change solutions.
- The Prince of Wales's Corporate Leaders' Group on Climate Change is a cross-sectorial group of business leaders participating at the highest levels of policy debate surrounding climate change.
- The Carbon Disclosure Project is a voluntary initiative that requests annual information on climate change risk management and performance.

IMPLEMENTING A CUSTOMIZED ENVIRONMENTAL MANAGEMENT SYSTEM

We are committed to responsible stewardship of the land we use and manage and to conduct our operations in a sustainable manner. Over the past year, a team of CEMEX professionals has worked to develop a customized Environmental Management System (EMS) that is compatible with ISO 14001. Pilot implementation of the new EMS will begin in 2011, with global rollout in 2012. The new EMS will set a standard approach for managing air quality, water use, waste management, environmental disturbances, environmental incidents, and biodiversity in order to:

- ensure legal compliance
- identify environmental issues and their impacts
- establish objectives, targets, and corresponding action plans
- ensure compliance with CEMEX's standards and guidelines
- improve performance and common reporting

ACHIEVING AIR EMISSIONS TARGETS AHEAD OF SCHEDULE

We have invested in equipment to reduce major emissions, identified current situation for minor emissions at cement kilns, developed guidelines for handling fuels and emissions, participated in industry-based initiatives, and reported emissions in accordance with the CSI protocol. By controlling and monitoring emissions, we have achieved significant reductions in dust, NOx and SOx emissions ahead of our 2015 target date. In 2010, we achieved a 16% reduction in dust emissions a 19% reduction in SOx emissions.

A COMPREHENSIVE APPROACH TO WATER MANAGEMENT

In 2010, we began a partnership with the International Union for Conservation of Nature to strengthen our approach to water issues and develop a corporate water strategy as well as the tools—operating standards and guidelines, measurement protocols and key indicators, best practices, and training materials—we need to implement the strategy. The first phase, to be completed in 2011, will:

- more precisely assess CEMEX's global water footprint
- map operational sites against key water issues
- analyze water trends and stakeholders' expectations
- explore our road in contributing to watershed management
- identify highest priority issues and strategy to address them

ACHIEVING SIGNIFICANT REDUCTIONS IN WASTE DISPOSAL

Another growing global challenge is the safe and efficient disposal of society's waste products. At CEMEX, we have adopted a manifold waste-reduction strategy based on the philosophy of monitor, minimize, reuse, and recycle. In 2010, this strategy enabled us to reduce hazardous waste by 11% and non-hazardous waste by 9%, saving significant resources and money.

⁽¹⁾ Category 1 incidents are defined as major uncontrolled spills or releases beyond site boundary in breach of internal control procedures that might result in legal action and threat to operating license. Part of this reduction is due to the reduction in the number of sites operating during 2010 as a result of temporary site closures and divestment from our Australia operations.

excellence in ENVIRONMENTAL & BIODIVERSITY management

543 sites were evaluated for their proximity to high biodiversity value areas

85% of our active cement and aggregates sites have quarry rehabilitation plans in place

STRIVING TOWARDS ZERO ENVIRONMENTAL INCIDENTS

By combining technology and careful planning, we minimize disturbances such as noise, vibration, vehicular traffic, aesthetics, and fugitive dust. Our goal of zero environmental incidents is a priority throughout CEMEX—a responsibility that extends from our top management team to each individual operator. In 2010, we reduced the number of Category 1¹ incidents to only 2, from 8 incidents in 2009.

MAKING PROGRESS TOWARDS OUR QUARRY REHABILITATION

We are committed to implement quarry rehabilitation plans at all of our operating sites by 2015. At year-end 2010, 85% of our sites had such plans in place. In addition, we continue to work with our industry peers in the CSI to establish Quarry Rehabilitation Guidelines and help raise the standard of rehabilitation projects.

Prioritizing sites with high biodiversity value

In 2010, CEMEX and our partners at BirdLife International completed a multi-year scoping study on the biodiversity status of our worldwide operations. The Biodiversity Scoping Study prioritizes 543 cement and aggregates operations in terms of biodiversity sensitivity and opportunities, based on both their proximity to areas of importance for biodiversity and their current management practices. Among the practical outputs of the study are maps and databases that provide detailed information on the biodiversity characteristics of each operational site that will enhance site-level land management decision making. The scoping study provides the baseline analysis from which the strategy is to progressively implement biodiversity action plans (BAPs) for 131 sites that overlap with important biodiversity areas, starting with 12 priority sites. Ultimately, CEMEX's objective is for 100% of these 131 sites to have a BAP in place by 2015.

high priority to HEALTH and SAFETY

19% decrease in employee LTI frequency rate in 2010

40% decrease in lost work days

We are committed to making CEMEX a safer workplace and to supporting all aspects of the health and well-being of our employees, contractors, and third parties.

A SYSTEMATIC APPROACH TO MANAGING HEALTH AND SAFETY

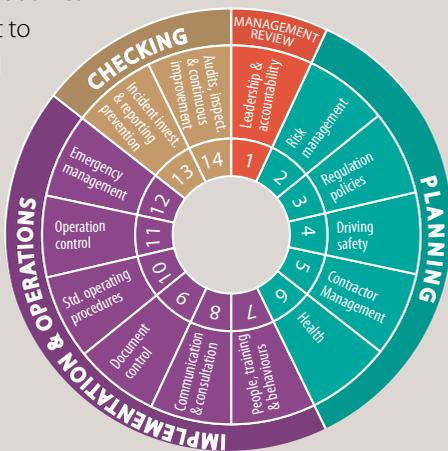
As part of our continuous effort to strengthen line ownership and accountability for health and safety by line management, we developed the CEMEX Health and Safety Management System (HSMS) in 2010. Aligned with OHSAS 18001, the HSMS clearly sets out the company's expectations in terms of health and safety management and provides guidance and tools to help managers reduce risk in their operations through:

- risk assessments
- system audits and site inspections
- health and safety training and development
- performance monitoring and tracking
- emergency preparedness
- incident investigation
- sharing of lessons learned and best practices

HSMS MANAGEMENT SYSTEM FRAMEWORK

The HSMS framework outlines CEMEX's commitment to Health and Safety and the requirements of top management for the effective management of health and safety, as well as incident prevention.

THE 14 ELEMENTS OF THE CEMEX H&S MANAGEMENT SYSTEM FRAMEWORK



IMPROVING SAFETY THROUGHOUT OUR OPERATIONS

CEMEX has steadily reduced on-site employee injuries and fatal incidents. In 2010, there were two on-site employee fatalities and zero employee or contractor fatalities from working at height. However, we must significantly improve the safety of our transport activities and management of contract drivers. We deeply regret the deaths of 46 employees, contractors, and third parties in connection with CEMEX activities in 2010.

In 2010, we had a lost-time injury (LTI) rate of 2.6 and lost the equivalent of approximately 15,600 work days. While this rate slightly exceeds our target for 2010 of 2.5, it marks a significant improvement over 2009. Thanks to this progress, fewer people were injured, their injuries were less severe, and they were able to return to work more quickly. In 2011, we will focus on improving reporting and investigation of all injuries and near misses to better identify the root and system causes of incidents that typically result in lost-time injuries.

WE APPLY ROOT-CAUSE ANALYSIS TO LEARN FROM INCIDENTS

Over the past two years, we have steadily improved our use of root-cause investigation tools and methodology to understand why incidents happen in our operations. In 2010, root cause investigations involving line leadership and technical and safety specialists were completed for every fatal incident, and corrective and preventive action plans were implemented. To further improve our performance, we have developed a training program that will not only enable us to better understand underlying causes of safety incidents, but also identify aspects of our safety management system that we must strengthen to prevent future injuries.

SAFETY LEADERSHIP PROGRAM

Developed in 2009, LEGACY is our company's in-house flagship safety leadership program designed to help us achieve our goal of zero incidents. When fully implemented, LEGACY will equip managers at all levels with the tools, skills, and behavioral standards required to lead safer, more efficient operations. In 2010, we completed LEGACY training for 2,108 CEMEX supervisors and managers. Our goal is for everyone in a leadership role to complete the training by 2015.

DRIVING AND CONTRACTOR SAFETY

In 2009, we led the CSI Driving Safety Working Group in its development of industry-wide standards to address driving risks and incidents and to measure progress in reducing incidents and injuries. In 2010, we immediately began implementation by conducting a baseline gap analysis across all of the countries in which we operate to determine the level of compliance with the CSI Recommended Practices. On average, we achieved 64% compliance with the driving standards and 63% compliance with the contractor safety standards. Each country will now implement action plans to achieve 100% compliance by the end of 2015.

CEMEX Global Safety Awards showcase site excellence

Since 2000, the annual CEMEX Global Safety Awards have recognized business units and country-level operations that have built and continually improved their safety culture to achieve superior safety performance. Businesses and countries are judged based on six criteria: safety performance and continual improvement, safety leadership, innovative practices to reduce risk, incident investigation, analysis, and follow-up and near-miss reporting.

SECTOR	BEST SAFETY PERFORMANCE	MOST IMPROVED SAFETY PERFORMANCE
Cement	Patarra Plant (Costa Rica) Chelm Plant (Poland)	San Pedro de Macoris Plant (Dominican Republic)
Ready Mix Concrete	Country Concrete Operations (Ireland)	Monterrey Concrete Plant (Mexico)
Aggregates	South Region (UK)	Rhein-Main-Donau Region (Germany)
Logistics	Aggregates West and Southwest Region (UK)	Colombia Ireland
Other lines of business	Terminals and Warehouses (Spain)	Indianapolis Pipe Plant (USA)
Country Awards	Ireland	Austria

INVESTING IN OCCUPATIONAL AND PREVENTIVE HEALTH CARE

Our goal is to improve each employee's health by offering beneficial occupational and preventive health programs and empowering all of our employees to improve their personal health by raising awareness, providing information, and offering assistance. Based on the work of our global health council and other stakeholder feedback, in 2008, we established the global Health Essentials initiative to address the 12 most important occupational and preventive health issues our people face every day. Additionally, all of our health programs—whether voluntary or required by local law—are designed according to four basic principles that we have integrated into our HSMS: information and promotion of health topics, vaccinations, timely diagnosis, and rehabilitation.

HELPING EMPLOYEES REDUCE AND MANAGE THEIR STRESS

CEMEX is applying 12 years of research on various aspects of stress to help employees reduce and manage their stress levels. We offer seminars, a stress-diagnosis tool, and an online course for stress management.



HEALTH ESSENTIALS
cemex



54% employees participating in annual medical exams, a 23% increase from 2009

2.5 absenteeism Rate by General Disease, a 52% reduction from 2009

96% operations with a qualified health professional onsite or with access to an external health provider, unchanged from 2009

strengthen local COMMUNITIES

45,099 families improved their homes through Patrimonio Hoy in 2010

97% of our operations have Community Engagement Plans

CEMEX's operations are often an important part of local communities. We employ community members, work with local suppliers, and contribute to the community through tax payments, social investments, and on-the-ground programs. Our social-investment programs yield positive economic and environmental returns, promote citizenship, empower people, and help build a foundation for long-term well-being. Community relations are managed at the country level, which helps us to identify the communities near our operations, our impacts on them, and their needs; and then develop and implement effective, site-specific social programs. Approximately 97% of our operations have Community Engagement Plans.

PROMOTING ACCESS TO BUILDING MATERIALS AND SERVICES

One of the most important ways in which CEMEX helps to reduce global poverty is by providing low-income customers access to building materials and services. We do this by creating programs that align the values and commercial objectives of our business with the needs of the communities we serve—generating long-term benefits for all. In addition, we advocate policies and financing models that will enable countries around the world to adopt development plans based on our programs.

Patrimonio Hoy: much more than a house. Since 1998, Patrimonio Hoy, our award-winning low-income housing program, has provided affordable building materials and services and US\$169 million in microfinancing to more than 300,000 families in five countries to build or improve their homes. In 2010 alone, 45,099 families benefited from the program. Sixty percent of participants in Mexico say they would not have been able to build their home without the program. With more than 100 offices in Latin America, Patrimonio Hoy promotes local economic development and creates jobs for local masons, and in particular, it provides opportunities for meaningful work for women. Most Patrimonio Hoy “promoters”—the individuals who sell and administer the loans—are women, half of whom had no work experience prior to joining the program.

ConstruApoyo: a model for disaster response and long-term relief.

Begun in 2005 to provide disaster relief after Hurricanes Stan and Wilma in Mexico, this program has since been used in other government-subsidized housing and community infrastructure initiatives because it is both efficient and transparent. Governments identify beneficiaries and provide funds for the building or rebuilding efforts, which CEMEX distributes in the form of debit cards to purchase building materials at fixed prices. We make results available online in real time to government officials. By 2010, approximately 28,000 individuals benefited from ConstruApoyo.

Lazos Familiares: building community institutions. Since 2005, this initiative has helped communities build and renovate public facilities such as health centers, hospitals, orphanages, and schools. CEMEX, participating clients, and distributors donate materials and building assistance. Working alongside individuals from the communities, employee volunteers help communities complete the work efficiently. To date, they have completed more than 45 projects, benefiting more than 33,600 people.

Mejora tu Calle: facilitating community movement. This program helps communities and governments work together to pay for the concrete paving of streets and sidewalks. By combining community contributions with government funding, most projects are completed in just 70 weeks—much faster than the 10 years it often takes low-income neighborhoods to complete these projects.

Centros Productivos de Autoempleo (CPA) pursuing do-it-yourself construction. CEMEX partners with municipal or state authorities, as well as NGOs and communities, to establish community centers where low-income families produce concrete blocks and other pre-cast products; half of which they can use to build, repair, or expand their homes. Municipal or state governments purchase the other half for infrastructure development. The resulting proceeds are reinvested in the centers. In 2010, we were able to expand this program to Colombia through a partnership with the Inter-American Development Bank, which is providing 35% of the financing for the first 18 months.



Participants in concrete block production process in a CPA in Mexico

CEMEX honored at the World Business and Development Awards

In 2010, the World Business and Development Awards—organized by the United Nations Development Program, the International Chamber of Commerce, and the International Business Leader Fund—recognized CEMEX for its contributions to achieving the Millennium Development Goals through programs that foster and facilitate development, including Centros Productivos de Autoempleo.

SUPPORTING EDUCATION AND TRAINING OPPORTUNITIES

In 2010, in partnership with the Tecnológico de Monterrey, we completed the CEMEX-Tec Center for Sustainable Community Development to promote collaboration between the public, private, and academic sectors in order to support innovative solutions to challenges in this field. In addition, several of CEMEX's country operations granted scholarships and supported educational chairs at local universities in the areas of architecture, sustainable construction, and corporate responsibility.

PROMOTING SELF-EMPLOYMENT AND MICROBUSINESSES

As part of our efforts to improve local communities and promote self-sufficiency, we provide resources and advice for motivated individuals to start locally based microbusinesses. For example, at the Community Center of our cement plant in Torreon, Mexico, 20 students enrolled in the sewing and dressmaking course have made and sold more than 3,000 uniforms for workers at the cement plant. Now, they are beginning to produce uniforms for local schools, and have applied for a loan from a government-run development bank to formalize their business entity and continue their growth. Moreover, in Colombia, 80 women and men who have participated in our educational programs have become CEMEX suppliers, providing environmental and maintenance services, performing work at height and in pre-blasting preparations, and selling uniforms and industrial safety clothing.

FOSTERING LOCAL ENVIRONMENTAL AWARENESS

We invest in environmental awareness, conservation, biodiversity preservation, and reforestation. In 2010, among other initiatives, we provided assistance to build an interactive learning facility on marine ecosystems in the Philippines; organized events in the UK, France, Latvia, Poland, and the US that promoted learning about bird species and their habitats; and we launched our first CEMEX-BirdLife photo competition among employees to honor the UN International Year of Biodiversity.

ENCOURAGING EMPLOYEES TO VOLUNTEER IN THEIR COMMUNITIES

In 41% of our operations, we have employee volunteering programs, and many of the social projects we support depend on their participation. For example, on Mexico's "Day of the Tree," we organize reforestation brigades in all of our operations nationwide that have greenhouses. In 2010, employee volunteers and local community members planted more than 45,000 trees. Overall, employees in Mexico dedicated more than 22,000 hours of volunteer work during the year.



CEMEX machinery removes pile of mud and stones from a community of family homes after Hurricane Alex

Contributing to disaster relief

Our disaster relief efforts provide emergency humanitarian aid and support long-term reconstruction efforts.

After the January 2010 earthquake, we took immediate action to support our 115 Haitian employees, their families, and neighboring communities by donating approximately US\$750,000 from company and employee contributions, using our vessel "Marianela" to deliver 90 tons of direct aid, and making heavy machinery available to assist relief teams. CEMEX has also started the construction of a housing project for our employees in the country who were left homeless.

In Mexico, we provided recovery assistance to several communities in the wake of floods in Oaxaca and Veracruz; an earthquake in Baja California and Sonora; and Hurricane Alex in Nuevo Leon, Tamaulipas, and Coahuila. Following Hurricane Alex, we distributed 250 tons of emergency aid and provided heavy machinery to assist in cleanup efforts. CEMEX also established Centros Productivos de Autoempleo in 10 municipalities and donated building materials, as well as equipment and training, to help residents repair and rebuild damaged homes. More than 7,000 individuals benefited from this assistance.

Through the national program Colombia Humanitaria, CEMEX Colombia supported national and local governments and donated 1,205 tons of cement, after severe flooding. In addition, 192 employees collectively donated US\$12,000.

In Europe, CEMEX provided Hungary's Central Disaster Recovery Office with machinery to help drain water and clear roads. CEMEX volunteers then donated their services to operate the equipment. CEMEX also offered special discount prices on all materials needed for recovery work. Furthermore, in Poland, CEMEX donated materials to reinforce the flood banks in the Dobrzykow area and a mobile plant to reinforce flood banks in Warsaw.

partnership with KEY stakeholders

83% employee engagement level⁽¹⁾

+600 initiatives implemented to improve employees work life and performance

By building strong, long-term relationships with our key stakeholders, we increase our responsiveness to their needs and concerns.

STRENGTHENING EMPLOYEE ENGAGEMENT

We ask for our colleagues' feedback through mechanisms that include the CEMEX Survey, town hall meetings, global webcasts, and team briefings. Since 2006, we have conducted the CEMEX Employee Survey that measures the degree to which employees feel motivated by their job, supervisors, team, and commitment to stay with the company and contribute to its success. In 2010, the Employee Survey showed an 83% employee engagement level. Guided by these results, we develop action plans and, in 2010, 674 initiatives were implemented or are ongoing based on employee input.

Employees receive equal opportunities at CEMEX

As formalized in our Equal Opportunity Employment Policy, CEMEX hires, develops, and promotes all employees on an equal-opportunity basis. To encourage diverse candidates to apply for positions, CEMEX's hiring procedures seek candidates from a variety of sources: promoting open positions to be publicly posted in our job posting site, employee referrals, local universities, job-search websites, and social media.

As women comprise 13% of CEMEX's workforce, we have implemented initiatives to encourage more women to join the company. Over 30 nationalities are represented in senior management, and approximately 60% of senior management positions at significant CEMEX operations are local hires. In 2010, approximately 54% of CEMEX employees were members of an independent union or covered by a collective bargaining agreement.

HELPING ALL EMPLOYEES TO LEARN, GROW, AND ADVANCE

At CEMEX, we promote a culture of consistent high performance worldwide. To help our employees meet this standard, we provide them with work experiences, tools, and guidance that allow them to

improve their technical skills and interact effectively. CEMEX offers and is continually developing an array of instructor-led and online courses. In 2010, we developed a Manager Training Program that focuses on providing basic management tools for collaboration; we will now offer it to executives at operations around the world. In addition, during 2010, more than 350 employees received support to complete university courses and degrees.

To complement our onsite training efforts, we have a state-of-the-art online learning management system, CEMEX Learning, through which our employees can design and pursue their individual development plans. Through CEMEX Learning, over 700 courses are accessible and available to approximately 19,000 employees worldwide.

CEMEX's Talent Review is a dialogue-based employee-development process through which the employee's performance and potential are assessed collectively by the employee's direct supervisor and peers, as well as the area leader. Over 20% of our executives and employees have access to a formal online system to register performance evaluations, and 97% of these employees reported receiving feedback in 2010. The remainder of our employees and operators also receive regular performance evaluations with their individual managers.

Total rewards to attract and help retain the best talent

CEMEX's reward package is intended to both motivate employees and recognize their performance. To ensure that our offerings are appropriate, we consider the total compensation provided by comparable companies, the labor markets in which a given CEMEX business unit competes for talent, and data compiled from independent, professional, third-party surveys. We always comply with local laws and provide additional health and insurance benefits in over 90% of our operations and additional pension benefits in 45% of our operations. Moreover, we are committed to paying the same wages to men and women who perform similar jobs at the same level of experience, as evidenced by our male-to-female salary ratio of 1.02—with seniority accounting for the slight difference.

CEMEX offers employees flexible work arrangements as appropriate to their particular culture and business unit needs; 69% of our operations have work-life balance programs, including dependent care, child care, elderly care, sabbaticals, parental leave, or other flexible time benefits.

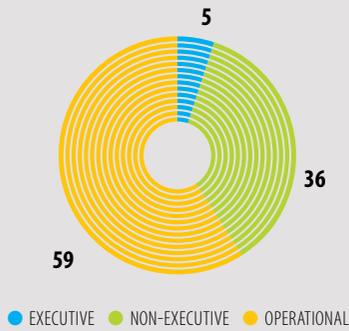
OUR GLOBAL WORKFORCE

At the end of 2010, CEMEX had 46,533 employees and approximately 14,000 contractors. These numbers reflect voluntary turnover of 6% and involuntary turnover of 9%. The decision to reduce headcount was difficult, but necessary to ensure our continued competitiveness. All restructuring efforts were performed in accordance with local employment laws and applicable employment agreements. When significant operational changes required a notice period, we complied with local employment laws and collective agreements and provided an average of 30 days' notice.

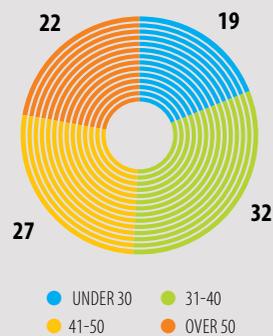
⁽¹⁾ Engagement level is calculated as an average of the answers to a set of questions. It could vary from 0-100%.

Our global workforce

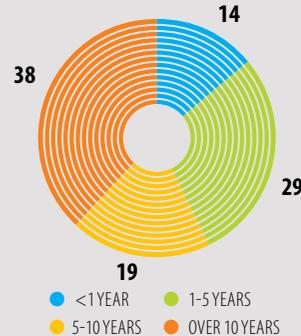
BREAKDOWN BY LEVEL
percentage



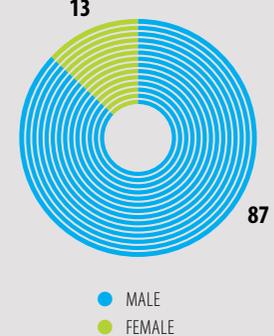
BREAKDOWN BY AGE
percentage



BREAKDOWN BY SENIORITY
percentage



BREAKDOWN BY GENDER
percentage



FOCUSING ON CUSTOMER NEEDS

84% of the countries in which we operate regularly conducted customer satisfaction surveys.

Loyalty happens by design, not by chance. That's why we intensely focus on every customer—whether a construction giant building a skyscraper or an individual building his family's first home. From new value-added cement and ready-mix products, to financial mechanisms that enable government to build infrastructure, to partnerships with developers to produce low-income housing, we work closely with our customers to identify and implement effective ways to create more value for them. We also use customer surveys, including end-of-project satisfaction surveys, and ongoing dialogue to gain a clear understanding of our customers' needs and preferences. In 2010, 84% of the countries in which we operate regularly conducted customer-satisfaction surveys, up from 78% in 2009.

FOSTERING SUPPLY CHAIN SUSTAINABILITY

93% of our purchases were made from locally and nationally based suppliers.

84% of the countries in which we operate have processes to screen suppliers' social and environmental practices.

We believe that local sourcing is in and of itself a sustainable business practice: it creates jobs, which in turn stimulate local economies, while developing new skills among local workers. Whenever feasible, we support small and locally based suppliers everywhere we operate; in fact, in 2010, 93% of our purchases were made from locally based suppliers.

We recognize that our responsibility for sustainable business practices extends to the farthest reaches of our supply chain. By 2010, 84% of the countries in which we operate had processes to screen suppliers' social and environmental practices. CEMEX is the only building materials company that participates in the United Nations Global Compact (UNGC) Advisory Group on Supply Chain Sustain-

ability. We collaborated with other members of the Advisory Group to produce the UNGC's Supply Chain Sustainability: A Practical Guide for Continuous Improvement, published in June 2010.

Responsible Sourcing for a Better World

In 2010, CEMEX started the first phase of a new sustainable procurement program that will systemize and expand the various sustainable sourcing practices that have been used for several years. As the phases of the program evolve, we will incorporate basic sustainability clauses into all of our purchase orders and contracts based on the UNGC principles regarding human rights, labor, the environment, and anti-corruption. We will also develop a supplier sustainability scorecard and roll it out as appropriate in each country. The program's objectives are to:

- inform employees and suppliers about CEMEX's commitment to sustainable sourcing
- evaluate suppliers on sustainable practices
- enable main suppliers adopt and develop sustainable practices and empower them to assist us to do the same
- extend sustainable procurement practices beyond the procurement area
- strengthen communication between CEMEX and our suppliers

LEVERAGING KNOWLEDGE THROUGH PARTNERSHIPS AND MEMBERSHIPS

CEMEX maintains more than 300 partnerships and memberships with global and local organizations, including NGOs, trade associations, educational institutions, and intergovernmental organizations, including the following:

BirdLife International, Conservation International (CI), International League of Conservation Photographers (ILCP), International Union for Conservation of Nature (IUCN), Prince of Wales's Corporate Leaders Group on Climate Change, United Nations Environment Program's Sustainable Building and Climate Initiative (SBCI), United Nations Global Compact (UNGC), World Business Council for Sustainable Development (WBCSD), among others.

responsibility for sustainability at CEMEX

We conduct our business with integrity and act as stewards not only of our shareholders' assets, but also of the health and well-being of the environment, our employees, local communities, and society at large. Responsibility for sustainability at CEMEX starts at our Board of Directors and flows all the way through our company to our local operations.

COMPANY-WIDE POLICIES AND INTERNAL MANAGEMENT SYSTEM TO ENSURE COMPLIANCE

We communicate our expectations and set global standards through company-wide policies, including our Code of Ethics and Business Conduct, Health and Safety, Environmental, Biodiversity, Anti-bribery, and Antitrust.

Through ETHOS, our internal ethics management system, we raise awareness and integrate procedures to track compliance with policies as well as detect, manage, and reduce ethics and compliance risks. This company-wide effort includes training for individuals, employee perception surveys, communication campaigns on specific topics, ETHOS@Plaza (the company's employee intranet), and the ETHOS*line* reporting channel.

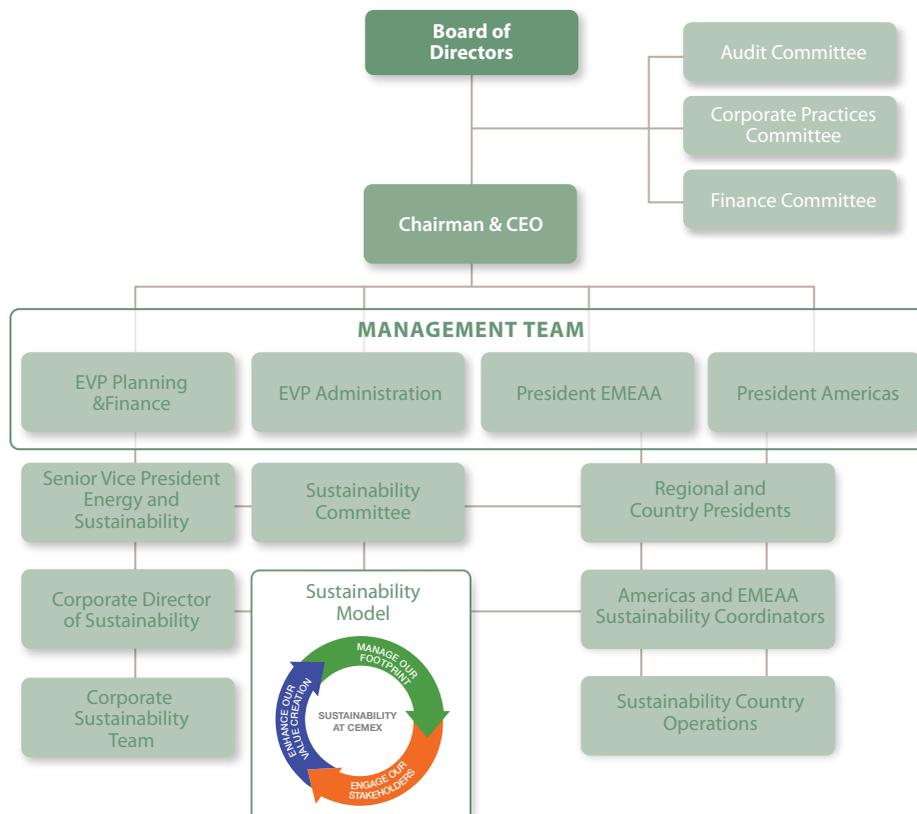
Reports of violations of our Code of Ethics and Business Conduct or policies can be made through ETHOS*line* or directly to the Audit Committee, Global Ethics Committee, Legal Department, local Ethics Committee, local Human Resources Department, or immediate supervisors.

PUBLIC POLICIES ACTIVITIES

CEMEX actively follows public policy developments in many of the countries and regions in which it operates, and advocates in support of its business and sustainability priorities. Current priorities include: environmental protection, climate change, carbon markets, sustainable construction, economic policies, and financing models that encourage investment in sustainable infrastructure.

In 2010 we published six position papers, all of which are available on our website, that explain CEMEX's position on: Climate Change, Alternative Fuels, Market Mechanisms for Mitigating Climate Change, Carbon Capture and Storage, Environmental Management and Biodiversity, and Sustainable Construction.

Learn more about our company policies and position papers at www.cemex.com/sustainability



AWARDS and recognitions

Our commitment to sustainability is reflected in the various awards that we have received around the world, including the following in 2010:

World Business and Development Awards recognized CEMEX for its contributions to achieving the Millennium Development Goals through programs that foster and facilitate development, including Centros Productivos de Autoempleo.

Forrester Groundswell Award in Management–Collaboration System category recognized CEMEX for its Shift platform. Shift uses social media—social networks, wikis, discussion groups, and other communications tools—to enable meaningful collaboration among employees around the world through the sharing of innovative ideas and best practices.

Big Tick Award from the Business in the Community (BITC) was granted to CEMEX for its Patrimonio Hoy Program in Mexico and Latin America.

Sustainable Development Award was granted to CEMEX in France for two of its quarries by the National Union of Aggregate Producers (UNPG)

UNICEM Environmental Award recognized CEMEX in France for its quarry rehabilitation efforts by L'Union Nationale des Industries de Carrières et Matériaux de Construction (UNICEM)

Health & Safety Award for zero accidents at four of CEMEX in Germany's operations granted by the German Association of Cement Industry (VDZ)

Sustainability Index Silver Award to CEMEX in Latvia granted by the Employers Confederation and Free Trade Union Association

CLARES for CSR recognizing CEMEX's CSR programs in Mexico was granted by Universidad Anáhuac

Best CSR Practices for CEMEX's Centros Productivos de Autoempleo Centro Mexicano para la Filantropía

Best Safety Award and Zero Lost Time Accident Award to CEMEX in the Philippines by the Philippine Mine Safety & Environment Association

Award for innovative application of self-compacting concrete was granted to CEMEX in Poland by the Association of Readymix Concrete Producers

Economic Contribution to Society Award to CEMEX in Spain by the European Aggregates Association

Environmental Defense Award for CEMEX in Spain's commitment to the environment by the ADM Business School

International Safety Award for risk assessments and safety systems at all CEMEX sites in the UK granted by the British Safety Council

RoSPA Occupational Health & Safety Awards recognition for 12 CEMEX operations in the UK, granted by the Royal Society for the Protection of Accidents (RoSPA)

William W. Howard C.E.O. Award for environmental stewardship to CEMEX in the USA by the Wildlife Habitat Council (WHC)

ENERGY STAR® Partner of the Year awarded to CEMEX in the USA and ENERGY STAR® rating awarded to three plants in United States for superior energy performance by the United States Environmental Protection Agency (EPA)

Cement Industry Energy & Environmental Awards recognized two CEMEX's plants in the United States by the Portland Cement Association and Cement Americas

 To see a full list of awards received by CEMEX in 2010, as well as in previous years, please visit our Awards section in www.cemex.com/sustainability

www.cemex.com

We welcome your feedback on our sustainability reporting and performance.

Please send your comments and suggestions to sd@cemex.com, or write to us at

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Please consider the environment before printing all or part of this report.

To conserve resources, we neither printed this report nor the annual report.

