

CEMEX

IN EGYPT

NEWSLETTER

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CEMEX Donates 200 Tons of Cement to Affectees of the Heavy Downpour in Assiut

CEMEX Egypt Receives the 2013 "Most Improved Road Transport Operation" Award

Ready Mix Call Center

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MESSAGE BY MANAGING DIRECTOR

**Dear Stakeholders,
Welcome to the second edition of CEMEX quarterly newsletter.**

At the core of CEMEX success is our supreme commitment to safety. Our resolve to safety at our cement, ready-mix and aggregates plants is manifested in our commitment towards the goal of zero-lost time incident environment. We consider the safety and well being of our employees, contractors and community where we operate more important than cost, schedule or production. One of our major achievements for this quarter has been receiving the 1st Place in CEMEX Annual Global Health and Safety Awards for 2013 as the "Most Improved Road Transport Operation". The award recognizes our excellent results achieved last year, with zero accidents and zero fatalities on the road and the efforts we have made over the years to improve the standards in road transportation, both from our own fleet and for external haulers delivering our products. We have also achieved our target to complete one Near Miss Hazard report by each employee during the first three months of the year. "Alert Me" is the name of the safety campaign we launched in March using creative communication materials. At this juncture, we should continue to be extra vigilant to safe practices by duly adhering to so that we can further build on this achievement.

Many aspects of our business contribute to corporate social responsibility (CSR). These include our commitment to safety, the development of our workforce and our sustainability program in place to protect the environment. It also encompasses our community involvement and commitment to being a responsible corporate citizen. During the first quarter, the CEMEX Egypt Foundation

signed an agreement with the World Food Program to continue our school feeding program which benefits 4000 families in Assiut, celebrated orphans day for the 10th consecutive year and the University of Assiut's science day for the 6th consecutive year. We have also sponsored the International Conference for Environment and Development and partnered with the Governorate of Assiut in the Earth Hour event to help save the environment. We have also signed a protocol with the University of Sohag and University of Minya where CEMEX will be providing training opportunities for students and upgrading the laboratories to improve research and development.

The annual CEMEX Family Day, organized by our Human Resources department, was a great event that brought together more than 3000 guests from our employees and their families who enjoyed lots of activities, entertainment shows and sports tournaments. Reflecting on the long history of CEMEX in Egypt, we acknowledged employees, who have been with the company for 30 years, 25 years, 20 years and 15 years.

While we're proud of what we have achieved during the first quarter of 2014, we are hungry to do more. CEMEX has the capacity and the will to lead. We will continue to work with our stakeholders towards common goals that are in line with our values.

I hope you enjoy reading this issue of our quarterly newsletter and we look forward to your feedback so we can continuously improve this along the way.

Sergio Menendez

CEMEX Egypt Receives the 2013 "Most Improved Road Transport Operation" Award



CEMEX in Egypt and particularly the Commercial & Logistics team received the 1st place in CEMEX Global Health and Safety Awards as the "Most Improved Road Transport Operation".

The award recognizes both the excellent results achieved last year (0 accidents, 0 fatalities) and the efforts the company has made over the years to improve the standards in road transportation in Egypt, both from CEMEX fleet and for external haulers delivering our products. The award encourages us to continue working towards our goal of safer roads and zero accidents on the road.



CEMEX Goal = Zero Accidents



CEMEX Recognizes Employees for their Innovative Ideas

As part of CEMEX objective of creating an innovative culture for its employees, the company began to recognize employees' innovative ideas. The company's top management in cooperation with the Intellectual Property Department recognized the following employees: Amr Abdel Raheem (Commercial Department), Adel Eissa (Operations Department), Abdel-Rahman Mohamed Hassan (Health and Safety Department), Kareem Assem (Commercial Department) and Islam Gamal Ismaeel (Ready-Mix).

OUR PEOPLE

CEMEX Safety Week 2014

During the first quarter, CEMEX organized a safety week for all its cement plants, ready-mix plants and offices in Egypt. The safety week included different activities such as achieving our target to complete one NMHA (Near Miss Hazard) report by each employee during the first three months of the year in addition to VFL (Visible Felt Leadership) refreshment and safety driving awareness sessions across all our operations. A special drawing contest was also organized for our employees' children to encourage a culture of safety at home as well. The safety week shows our commitment, and goes a long way in promoting a culture of safety across our company.



"Alert Me" Safety Campaign

"Alert Me" is the new safety engagement tool encouraged among employees whereby each one is responsible of his/her colleague's safety. Employees have been using stickers on their helmets with the slogan of the new safety campaign to remember to alert each other.

CEMEX Celebrates its Annual Family Day in Assiut

On the 5th of April, CEMEX celebrated its Annual Family Day with more than 3000 guests from its employees and their families. Organized by the Human Resources department, the family day was a successful event that included a number of activities such as sports competitions, marathon, and entertainment shows. The top management also recognized employees who have been with the company for more than 15, 20, 25 and 30 years. Employees received certificates and valuable gifts.



A holistic Strategy to Foster Emerging Capabilities

By: Wafik Beshara, Human Resources Director



Achieving profitable growth in a competitive environment requires leveraging our strengths and reinforcing emerging capabilities. To achieve the aimed profitable growth, CEMEX has prioritized four objectives; being closer to our customers, driving value before volume, having effective business leaders, and operating in a cost efficient way. The company has identified three core capabilities that are essential to delivering on those priorities; commercial excellence, effective leadership, and operational excellence.

Our role as the Human Resources team is fundamental in establishing the framework needed to fortify these sought after capabilities. We have developed a four lever strategy that capitalizes on available resources and facilitates progress towards the desired capabilities; effective internal communication, better work environment, effective career development tools, and appropriate compensation.

Effective internal communication is a key driver for success. Accordingly, we have restructured the human resources department so that geographical business partners can address any new initiatives and resolve employees' concerns quickly. We are translating our employees' engagement survey feedback into actions. Moreover, we will continue having the CEMEX Annual Management Day, which creates the space for doing team building activities and strengthens the collaboration within the organization.

Improving the work environment is the second lever. In this regard, from 2010 to 2013, we completed many initiatives in Assiut plant that were aimed at improving the work environment; replacing employees' transportation busses, opening three new cafeterias (one of which serves hot meals), establishing new locker rooms for our technicians and contractors, renovating the medical center, opening a new pharmacy, and setting up two training rooms. We also established a lounge area in our Cairo head office.

In 2014, our goal is to complete other similar initiatives; building bus station and serving hot meals to employees and contractors in the second cafeteria in Assiut plant, renovating our head office in Cairo and improving CEMEX branding in our ready mix batch plants.

Increasing safety in our work environment is the first priority (Safety is First). Our objectives for this year aim to reduce lost time injuries by 50 percent, conduct more than 8,000

safety training hours for employees and contractors, provide more than 200 safety campaigns, complete the safe driving modules for all of those who drive a company vehicle, and control speeding incidents through a reliable GPS system. As a recognition tool for the best safety behavior in the company, we launched a new robust points system. Safe and unsafe behaviors will be translated into the addition or subtraction of points respectively. Highest points achievers will be recognized quarterly.

The third strategic lever is career development. We believe in developing our people through a variety of development tools to build a solid leadership pipeline to the future. Through specialized training, projects assignments, mentoring, leadership programs which combine methodology and real world experience, international exposure, job rotations, and sponsoring post graduate MBAs at top local schools, we will be able to strengthen leadership skills among our future leaders. In 2013 we delivered 12,000 training hours, which is 44 percent more than the previous year. We sent 24 of our future leaders to other business units to broaden their perspective. Moreover we provided 8 mentoring opportunities and sent 3 participants to the global leadership program ACHIEVE. 67 executives participated in the CEMEX Leader program. In 2013 we successfully rotated 6 of our executives among sales, ready mix and cement operations. As an indication of our commitment to continue developing our people, we have increased the 2014 development budget by 10 percent.

The last lever in this holistic strategy is appropriate compensation. We strive to offer competitive compensation packages to our employees and contractors. In 2013 we extended the pension program to cover all executives. Profit sharing agreement for 2014 and 2015 was signed in January 2014. An annual productivity bonus was added to contractors as well as medical insurance. From 2010 - 2014, the total cash compensation increased at least 65 per cent for CEMEX employees and 75 per cent for contractors. Medical insurance and life insurance have also improved over the past 4 years. Every year we benchmark against peer competitors in the industry to insure we remain competitive.

Human Resources team will continue to put all the necessary efforts on the four strategic levers so that the required framework to strengthen the sought after organizational capabilities is well established.

OUR BUSINESS

CEMEX Technical Hotline

CEMEX launched a new technical hot line for contractors. The hotline will provide information related to building materials, construction and also provide design and drawings for free. To be eligible for this free service, the total area of the project's land should not be less than 200 meters. This service is available for all contractors' residents of Upper Egypt.



"Al Moqawel" Mobile Application

CEMEX has successfully launched a new mobile application for contractors to help them keep track of their reward points of our contractors contest program. Through the application contractors can get all the necessary information about the contest. The mobile application will also help us monitor number of registered contractors, cement quantity consumed per contractor, transactions per contractor and number of active retailers.

CEMEX Egypt Foundation Self- Employment Center Supplies 1 Million Cement Bricks to a National Social Housing Project in Assiut

CEMEX Egypt Foundation's self employment cement bricks factory that was established in 2012 in Gahdam village in Assiut was able to prove its sustainability throughout the time. Since its establishment, it has been improving its production line and expanding. In March 2014, the cement bricks factory sealed a new deal to supply 1 million cement bricks to 140 buildings of the national social housing project in Beni Ghaleb area in Assiut.

The factory's cement bricks have passed several quality assurance tests and are up to the quality standards. The new deal will generate more employment opportunities for the residents of Beni Ghaleb.

Re-launching "Al Rayes" Gypsum Brand

CEMEX re-launched "Al-Rayes " brand of gypsum and closed a deal with GypSuez Company to supply us with gypsum to be packed in our CEMEX branded bags. Al Rayes is our 3rd brand of gypsum besides "Badr Sinai" and Gypcore Max" to be commercialized through our distribution channels in Upper Egypt markets.



OUR COMMUNITY



CEMEX Donates 200 Tons of Cement to Affectees of the Heavy Downpour in Assiut

In partnership with the Governorate of Assiut and as part of our social investment and charity program, CEMEX donated 200 tons of cement to the affectees of property damaged by the heavy downpour in Assiut. The donated cement will be used to reconstruct the houses damaged in Abnoub, El Badari and West Assiut villages.



CEMEX Signs a Cooperation Protocol with the University of Sohag & the University of Menya

CEMEX is continuously working with academic institutions to advance science & engineering education in Upper Egypt. In March 2014, CEMEX signed two protocols of cooperation with the faculty of engineering, Sohag University and faculty of engineering, Menya University to improve the education level of students in different areas. CEMEX will be providing a variety of training courses and internships for students from time to time and will provide new advanced laboratory equipments to improve the quality of their research and development.

OUR COMMUNITY



CEMEX Egypt Foundation Inaugurates a Training Unit at Khadeega Youssef School

CEMEX Egypt Foundation in cooperation with the Ministry of Education inaugurated a new training unit at Khadeega Youssef historical girls' school in Assiut with the attendance of state officials from the Ministry of Education. The foundation upgraded and equipped the training unit with all furniture, computers, audio and video visuals in order to train students and around 1000 teachers monthly on new educational skills and methods to improve the education system.



CEMEX Egypt Foundation Celebrates the Science Day

CEMEX Egypt Foundation and the University of Assiut celebrated the annual science day on the 7th of April. The celebration also witnessed the graduation of the class of 2013 which is the 53rd in the history of the University of Assiut. The company has been sponsoring this ceremony and celebrating the science day for 5 consecutive years since 2009.

OUR ENVIRONMENT



CEMEX Sponsors "Go Environment" Seminar

As part of CEMEX's efforts towards a greener and better environment, the company sponsored the "Go Environment" seminar which was held under the auspices of the Minister of State for Environmental Affairs Dr. Laila Iskandar and the Rotary Club. The seminar aimed at increasing awareness about how to improve the environment, potential green initiatives launched by several schools and universities, in addition to the Ministry's efforts in eliminating obstacles for a greener and more sustainable future.

New RDF Plant Installation at ECARU

The Projects team successfully installed a new complete RDF (Residual Derived Fuel) plant in the landfill site "ECARU" located at the 15th of May City, Helwan and started operating with great and promising results.

This new RDF system is considered to be the first in Egypt with new advanced technological facilities. The new plant will allow CEMEX to continue being the pioneer in using alternative fuel in production through higher quality of RDF and more quantity to be delivered on daily basis to the site. It is worth mentioning that CEMEX co-processes around 250 thousand tons of waste to alternative fuels annually.



OUR ENVIRONMENT

CEMEX Egypt Foundation & the Governorate of Assiut Celebrate Earth Hour Event



CEMEX Egypt Foundation in cooperation with Assiut Governorate and other NGOs including WWF (wildlife fun), PLAN, Investors Association in Assiut Governorate, Assiut Governor's Office for Women's Affairs, Ehlam and Shams sponsored and celebrated Assiut Governorate's Earth Hour event that took place on Saturday the 29th of March with the attendance of Assiut Governor General Ibrahim Hammad and a number of state officials. During the event, lights were turned off for an hour in order to raise awareness about the importance of rationalizing energy and caring for our earth and its nature, highlighting that musical and entertainment shows were presented on candle lights.

Earth Hour is a worldwide event organized by the World Wildlife Fund (WWF) and held towards the end of March annually, encouraging households and businesses to turn off their non-essential lights for one hour to raise awareness about the need to take action on climate change.

CEMEX Sponsors Assiut University's International Conference for Development & Environment

During March 23rd – 25th 2014, CEMEX sponsored the 7th International Conference for Development and Environment in the Arab World which is organized by the Future Studies Center at the University of Assiut. The conference was held under the auspices of H.E Minister of Higher Education and Research, H.E Minister of State for Environmental Affairs and the Governor of Assiut. The conference is organized annually and aims at raising awareness about the developmental and environmental challenges facing the Arab world such as climate change, waste management and pollution and possible solutions to these problems.

