



# Code of Conduct

When Doing Business  
With Us



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# Supplier Sustainability Program

The Supplier Sustainability Program embraces the pursuit of economic performance, environmental quality and social responsibility.

Our Program is part of a continuous process that promotes a profitable and well-built relationship between CEMEX and its suppliers.

This Program is based on four phases:

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

The **Code of Conduct When Doing Business With Us** is part of the third out of four phases of our Program and it is comprised by twelve principles that CEMEX expects to honor when working with its business partners.

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

Sincerely,



Vicente Saiso  
Corporate Sustainability Director



Carlos Sucre  
Global Procurement Director



## CEMEX ENVIRONMENTAL POLICY

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

### To meet this Commitment we will:

- Actively pursue a policy of pollution prevention, applying best available techniques (BAT) to minimize the impact of our operations.
- Comply with company policies and procedures and all applicable local laws and regulations.
- Make strategic efforts to maximize our energy and resource efficiency, lower our carbon intensity and reduce emissions by managing our usage of energy, water consumption and waste generation.
- Responsibly manage the land within our operations to protect ecosystems and biodiversity and to maximize our contribution to nature conservation.
- Maintain open and effective communication channels with our employees, contractors, customers, the community and all those who work with us.
- Provide the necessary resources for instruction, training and supervision to appropriately manage the environmental aspects of our operations.
- Plan, review and assess our environmental performance against measurable targets and industry best practices to drive continuous improvement.
- Investigate, monitor and openly report our environmental performance.
- Define a product development agenda that prioritizes environmentally responsible products and services.
- Set corporate requirements to assess the sustainability attributes of our suppliers and subcontractors.

Everyone who works for the company is responsible for demonstrating correct environmental behaviors and reporting potential environmental risks, including among others employees, suppliers, contractors, third parties, and out-sourcing partners. Country Managers will be held accountable for clearly defining Environmental roles and responsibilities, providing appropriate resources, and measuring, reviewing and continuously improving CEMEX Environmental performance.

A handwritten signature in blue ink, appearing to read "F. Olivieri", is positioned above the printed name and title.

Fernando A. Gonzalez Olivieri  
Chief Executive Officer

May 2016



## CEMEX HEALTH AND SAFETY POLICY

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

To meet this Commitment we will:

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

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

A handwritten signature in blue ink, appearing to read "Fernando A Gonzalez".

**Fernando A Gonzalez**

Chief Executive Officer,

September 2014

# Supplier Relations and Fair Dealing

*“CEMEX’s success is supported by the supplier relationships that are built on trust and mutual benefit. We will always manage our supplier relationships with honesty, respect, and integrity, offering equal opportunities for all concerned parties.”*

As a member of the **GCCA** (Global Cement and Concrete Association), CEMEX adopts its principles in our **“Code of Conduct When Doing Business with Us”**.

CEMEX encourage all suppliers to adhere to the standards of its Code, therefore, strongly advises its suppliers not to perform or engage in any act prohibited by law or by its Code.

# Code of Conduct When Doing Business With Us

1. Occupational health and safety, and security.
2. Working conditions.
3. Freedom of association and non-retaliation.
4. Forced labour.
5. Child labour.
6. Non-discrimination.
7. Environmental regulatory compliance.
8. Management of environmental impacts.
9. Bribery and corruption – anti-money laundering.
10. Transparency and Integrity.
11. Maintain standard business practices related to gifts, services, and other courtesies.
12. Seek for equality and fairness in supplier relations.



# Code of Conduct When Doing Business With Us



## 1. Occupational health and safety, and security

**a) Occupational health and safety:** Suppliers shall provide a safe and healthy workplace for their employees and contractors. Suppliers must be compliant with local and national laws and regulations on occupational health and safety and have the required permits, licenses and permissions granted by local and national authorities. Suppliers must have documented health and safety policies and/or procedures in place together with appropriate safety infrastructure and equipment. Suppliers identified as being moderate to high risk for occupational health and safety violations shall take action and bring proof of continuous improvement towards implementing and applying a recognized occupational health and safety management system. When on company sites, suppliers must fully comply with applicable GCCA companies' policies and directives.

**b) Security:** Suppliers shall ensure that all necessary security arrangements are in place to protect their workers as well as the suppliers' own assets. In particular, suppliers are expected to have an actionable crisis management policy in place aimed at responding to emergencies in a timely and efficient manner.



# Code of Conduct When Doing Business With Us

## 2. Working conditions

Suppliers shall uphold fair and decent working conditions. Workers shall be paid at least the minimum wage stipulated by national law and benefit from social security schemes according to national legal standards. Should there be no legal minimum wage in the country of operation, fair and decent conditions imply suppliers shall pay their workers taking into consideration the general level of wages in the country, the cost of living, social security benefits, and the relative living standards.

## 3. Freedom of association and non-retaliation

Suppliers shall not interfere with workers' freedom of association. Workers' representatives shall not be subject to discrimination or termination of contract in retaliation for exercising employee rights, submitting grievances, participating in union activities, or reporting suspected legal violations.



## 4. Forced labour

Suppliers shall not use any work that is performed under threat of penalty, including forced overtime, human trafficking, debt bondage, forced prison labour, slavery or servitude. Suppliers shall not withhold migrant workers' identification documents.



# Code of Conduct When Doing Business With Us

## 5. Child labour

Suppliers shall not employ children at an age where education is still compulsory. Children and young people under the age of 18 or below the legal minimum age, if higher, shall never be employed.



## 6. Non-discrimination

Employment-related decisions shall be based on relevant and objective criteria. Suppliers shall make no distinction on grounds including, but not limited to, age, disability, gender, sexual orientation, political or other opinion, ethnic or social origin, or religion. Employment-related decisions include, but are not limited to, hiring, promotion, lay-off and relocation of workers, training and skills development, health and safety, or any policy related to working conditions such as working hours and remuneration.



## 7. Environmental regulatory compliance

Suppliers shall respect and comply with environmental regulatory requirements at all levels (local, national and international). In all their activities, they shall be covered by required environmental permits and licenses, and support a precautionary approach to environmental challenges.



# Code of Conduct When Doing Business With Us

## 8. Management of environmental impacts

Suppliers shall systematically manage their environmental impacts with respect to, but not limited to, energy, materials and climate change-related issues, water, waste, chemicals, air pollution and biodiversity, and set objectives and targets to reduce such impacts. Suppliers identified as having a high environmental impact shall take action and demonstrate proof of continuous improvement towards implementing and applying a recognized environmental management system.



## 9. Bribery and corruption – anti-money laundering

Suppliers shall comply with all applicable anti-corruption laws and regulations and, to this effect, have a zero tolerance policy towards any form of bribery, corruption, extortion and embezzlement. In particular, suppliers shall not pay bribes or make any other inducement (including kickbacks, facilitation payments, excessive gifts and hospitality, grants or donations) in relation to their business dealings with customers and public officials.

Suppliers are expected to perform all business dealings transparently and these dealings shall be accurately reflected on their business books and records. Where required based on a reasonable risk assessment, suppliers are expected to perform the know-your-customer checks required under applicable anti-money laundering legislation. Suppliers shall not hire third parties to do something they are not allowed to do themselves.





# Code of Conduct When Doing Business With Us

## 10. Transparency and Integrity

Suppliers are expected to provide relevant information and documentation on the above issues upon request, safeguarding integrity as well as a relationship of mutual trust. While this does not include any commercially sensitive information, all information that suppliers may provide to demonstrate commitment to the sustainable supply chain principles will be treated discreetly and with confidentiality, with the aim of enhancing opportunities for further improvements on all fronts.



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

Gifts, services, and other courtesies from our current or potential CEMEX suppliers are acceptable only if they are given for legitimate business reasons. In all cases, such courtesies must be lawful and in line with standard business practices. (For more detail, please see Appendix 1)



## 12. Seek for equality and fairness in supplier relations

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



# Appendix 1

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

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

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

Acceptable gifts may include:	We require our suppliers not to offer us this kind of gifts:
• Promotional items, such as pens, books, notepads, mugs or magnets.	• Cash or cash equivalents, such as checks, gift cards or gift certificates.
• Seasonal gift baskets or other commonplace items.	• Luxury items, such as expensive watches or pens, fine wine or expensive electronics.
• Greeting cards and notes of gratitude for service.	• Expensive tickets to an exclusive or sold-out event, such as a sporting event or a theater production not available to the public.
• Institutional books.	



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