WHAT IS THE RESPONSIBILITY OF MODERN-DAY CORPORATIONS TO SOCIETY?

A Project Paper

Presented to the Faculty of the Graduate School of Cornell University in Partial Fulfillment of the Requirements for the Degree of Master of Professional Studies in Agriculture and Life Sciences Field of Global Development

by

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May 2019
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ABSTRACT

The world is facing numerous challenges related to access to health care, electricity, education and climate change. Approximately 736 million people lived in extreme poverty in 2015 (World Bank, 2018). In fact, poverty indicators are increasing in developing countries located in rural areas where there is no access to education. In this context, corporations have the opportunity to make a social and economic impact upon the world. In fact, the top 100 richest entities in the world include 69 corporations and 31 countries. If Walmart were a country, it would have an economy bigger than Australia and Spain, and it would be the 10th biggest country in the world (Global Justice Now, 2018).

In this sense, businesses have the power to help to achieve the common good of future generations through different practices, including: Corporate Social Responsibility (CSR) and Shared Value (SV). This document has been prepared to explain both models; and how the implementation of them is related to the differentiation of the companies’ products, the increase of their reputation and the development of innovation, among other factors.

I used the Case Study of Cemex as method to evaluate the SV Model. The data was collected through the review of the company documents, such as CEMEX Integrated Reports 2017 and 2018, and a personal interview via phone with the Responsible Business Corporate Leader of Cemex. CEMEX is a building materials corporation that has implemented Shared Value practices working with more than 16 million community stakeholders. The company has a Sustainability Committee and has determined its own 2030 Sustainability Ambitions. CEMEX is a clear example
that companies that implement shared value practices can have a positive impact upon communities, employees, shareholders, NGOs, governments, among other stakeholders when the leaders of the corporations are committed to achieving the SV model.

In fact, the SV model can be considered the alternative model that corporations should execute to create competitive advantage through its value chain, increase productivity and innovation; while they produce social value. In this sense, businesses could incorporate a social mission in their organizational culture and produce innovations that can help resolving social issues. Also, companies will become more efficient, differentiate their products and increase their markets.
BIOGRAPHICAL SKETCH

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Prior to her studies at Cornell, she worked at MicroRate, a Microfinance Rating Agency, where she evaluated the financial and social performance of microfinance institutions in Latin America for almost two years. Also, she worked as Financial Chief at MegaPlaza, a retail company located in Peru that usually opens malls where people do not have access to entertainment.
ACKNOWLEDGMENTS

First, I would like to express my appreciation to my advisor, Ralph Christy, for all his guidance in this Problem-Solving Project. Second, I would like to acknowledge my professors and classmates who supported me during my academic years in Cornell University. Finally, I would like to express my profound gratitude to my friends and family who have unconditionally supported me throughout the process of researching and writing this Project and during my years of study at Cornell.
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I. Introduction

According to the World Bank, approximately 10 percent of the world’s population, 736 million people, lived in extreme poverty in 2015. This ratio seems to have an important reduction since more than 30 percent of the global population, approximately 2 billion people, lived in extreme poverty in 1990.

This achievement is related to the increasing wealth and global growth of several developing countries, especially those located in East Asia and Pacific, and South Asia. In fact, the improvement of China’s economy reduced the average poverty rate from 62 percent in 1990 to less than 3 percent in 2015. Moreover, the number of poor people was reduced from 500 million people in 1990 to 216 million in 2015 in South Asia (World Bank, 2018).

However, poverty indicators are rising in many developing countries located in rural areas, where people who have many children do not have access to education. In fact, the number of people who lived in extreme poverty in Sub-Saharan Africa increased from approximately 278 million in 1990 to 413 million in 2015, and the average poverty rate in this region was 41 percent in 2015.

Also, 27 of the poorest countries in the world are in Sub-Saharan Africa with poverty rates greater than 30 percent. In addition, approximately 815 million people were affected by global hunger in 2016 and famine was declared in parts of South Sudan in 2017 (FAO, 2017). Predictions state that the global extreme poverty ratio will be under 3 percent by 2030, if the income of the bottom 40
countries increases 2 percent quicker than the average and every country grows at an average annual rate of 6 percent (World Bank, 2018).

Nevertheless, it is important to mention that there would still be billions of people living with more than $1.90 per day but they would still be considered very poor people by their communities. In this sense, the World Bank is now reporting two higher poverty rates: lower-middle-income line ($3.20 per day) and upper-middle-income line ($5.50 per day).

In addition, the world faces several challenges, such as access to health care, electricity and water, and climate change. Estimations indicate that the global average temperature on Earth could rise by 1.8°C to 4.0°C by 2100 (UN FCCC, 2006). Also, the United Nations Framework Convention on Climate Change (UN FCCC) has predicted that developing countries will require up to $67 billion to adapt to climate change. In fact, developing countries are more vulnerable to global warming impact since they have limited access to technological resources to adjust to it.

Moreover, different countries agreed to sign the Paris Agreement that aims to battle climate change by A) Holding the increase in the global average temperature to well below 2.0 °C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels. B) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production. C) Making finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development (United Nations, 2015).
In this regard, the United Nations Development Programme (UNDP) established the Sustainable Development Goals (SDG) in 2016, which are supposed to be achieved by 2030. There are seventeen SDGs: no poverty, zero hunger, good health and well-being, quality education, gender equality, clean water and sanitation, affordable and clean energy, decent work and economic growth, industry, innovation and infrastructure, reduced inequalities, sustainability cities and communities, climate action, life below water, life on land, peace, justice and strong institutions and partnerships for the goals. The accomplishment of the SDGs is estimated to cost approximately around $3 trillion to $5 trillion and approximately $2.5 trillion is expected to be contributed by the private sector (UNCTAD, 2014).

Each SDG has several targets associated to them. For instance, SDG 1: No poverty, has five targets (GRI and UN Global Compact, 2017):

- By 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day.
- By 2030, reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions.
- Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
- By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance.
• By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters.

The Analysis of the Goals and Targets Report, elaborated by GRI and UN Global Compact, suggests different actions that corporations can take to achieve those targets. For example, enterprises can contribute to SDG 1 developing responsible impact investing, including disadvantaged people in the company’s supply chain, generating employment opportunities, endorsing job security and supporting microfinance access to poor people.

In this regard, corporations are expected to take actions to help to address societal needs. In fact, companies have enough financial resources and power to create common good for future generations. According to Global Justice Now, the top 100 richest entities in the world comprise 69 corporations and 31 countries. The top 10 corporations of the ranking reached annual revenues of over $3 trillion in 2017 and included Walmart, Royal Dutch Shell and Toyota Motor. Walmart ranked 10th in the list with an annual revenue of $500 billion. Thus, enterprises have enough capital to relate their business operations to problems currently occurring in the world, such as poverty, food insecurity and climate change, and provide solutions to them.

However, it is difficult that companies find a balance between their short-term financial goals and long-term sustainable objectives. Corporations that are truly committed to implementing sustainable practices in their organizations, usually have Boards of Directors and CEOs who support these practices and have established strategies and a Long-Term Sustainable Plan. For
instance, Unilever has developed the Unilever Sustainable Living Plan that is focused on improving health for more than 1 billion people by 2020 and reducing its greenhouse gas impact by 50% by 2030, among other goals.

This document intends to solve the following question: What is the responsibility of modern-day corporations to society? I used the Case Study of Cemex as method to evaluate the Shared Value Model. The data was collected through the review of the company documents, such as CEMEX Integrated Reports 2017 and 2018, and a personal interview via phone with Mario Gonzalez, Responsible Business Corporate Leader of Cemex.

CEMEX is a building materials corporation that has implemented Shared Value practices working with more than 16 million community stakeholders. The company has a Sustainability Committee and has determined its own 2030 Sustainability Ambitions. CEMEX shows that the corporations that implement shared value practices can have a positive impact upon communities, employees, shareholders, NGOs, governments, among other stakeholders, if the leaders of those organizations are committed to make efforts to communicate the Shared Value concept and involve the whole organization in accomplishing those SV practices.
II. Alternative models of corporate engagement

**Corporate Social Responsibility (CSR)**

During the past decades, diverse authors have defined Corporate Social Responsibility (CSR). Keith Davis defined CSR as “the firm’s consideration of, and response to, issues beyond the narrow economical, technical, and legal requirements of the firm” (Davis, 1973). Archie Carroll defined CSR as “the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time” (Carroll, 1979).

Matten and Moon defined CSR as “policies and practices of corporations that reflect business responsibility for some of the wider societal good. Yet the precise manifestation and direction of the responsibility lie at the discretion of the corporation” (Matten and Moon, 2008). Thus, CSR is considered “good” since corporations can determine social needs and provide solutions to them (Devinney, 2009).

Moreover, companies that implement practices that are related to society would have satisfied clients, owners and employees (Reich, 2007). In fact, there are consumers who react to products’ social positioning (Auger et al., 2003, 2008). According to the 2016 Aflac Survey, customers could take negative reaction regarding irresponsible enterprises and these companies could lose approximately 39 percent of their potential customers. Also, 83 percent of investors would invest in companies that have CRS practices since they consider that these corporations are more transparent and honest, reducing the risk of investment (Carroll and Brown, 2018).
CEOs should implement CSR at their companies because it has a positive impact on the demand of their products since there are customers who are able to pay more for the social characteristics of them. Also, CSR increases productivity and efficiency since employees are more motivated are there is less staff turnover. In fact, there is a positive relation between employee satisfaction and social activities implemented by businesses. Furthermore, CSR develops innovation and increases the duration of assets since corporations can use technology to elaborate products that meet the demands of their stakeholders (Devinney, 2009).

In this sense, companies use CSR practices to position themselves in the market. Nevertheless, enterprises must be careful about how they communicate their CSR activities to customers and stakeholders in general. Also, managers need to be committed and maintain excellent communication with stakeholders to achieve CSR goals (Lindgreen & Swaen, 2010).

A common example of CSR is fair trade purchasing. Companies pay a fair price, an acceptable remuneration by producers, for products or materials that they are going to use. In this sense, through the World Fair Trade Organization (WFTO), corporations empower producers and help them obtain economic independence.

Another concept related to CSR is Environmental Social Responsibility (ESR). According to Siegel, a company should implement “Green Management” practices, only if they complement the strategies of the enterprise and generate profits to it. In this regard, when the private sector implements ESR practices, it increases its products differentiation, reputation and relationships with suppliers, customers, government and the society (Siegel, 2009).
Some of the ESR practices that a company can implement are: developing new green products, adoption of an environmental management system in the enterprise’s chain value and recruiting CEOs with an ESR orientation (Siegel, 2009). These practices would have a positive effect on their Marketing, Operations, Research and Development and Human Resources departments.

Moreover, CSR includes Corporate Philanthropy. In fact, corporations have given economic resources to charity since the early 1950s in the US to increase their reputation among their stakeholders, and to decrease tax burdens (Sharfman, 1994). Philanthropy is also utilized as advertising, promoting the brand of the enterprise in the market (Porter and Kramer, 2002). In this regard, corporations are not totally altruistic when they make donations (Zhang, Zhu, Yue, 2010).

Most of the philanthropy programs of corporations are unfocused and dispersed. Many of them are related to cash donations that support civic causes or national charities and universities. In this sense, Porter and Kramer state that companies should center their attention on enhancing their competitive context through philanthropy. Hence, it is important that corporations analyze the combined social and economic benefits that they can create.
For instance, Cisco Systems, the corporation that manufactures and sells networking equipment worldwide, has invested in the Cisco Networking Academy to give technical training and career mentorship to students. The Cisco Networking started when the executives of the company developed a Web-based distance learning program to instruct secondary and postsecondary students in network management (Porter and Kramer, 2002). Thus, the company identified social needs and decided to improve the quality of its corporate environment.

According to Porter and Kramer, it is essential that enterprises identify where they want to develop philanthropy and how they will implement those practices. Moreover, philanthropy activities can enhance the quality of research institutions and create a more productive context for competition.
Also, philanthropy allow companies to influence the efforts of nonprofit institutions and other entities.

However, adverse opinions regarding CSR exist. In fact, according to Milton Friedman corporations are created to generate financial return to shareholders. He stated “There is one and only one social responsibility of business—to use its resources and engage in activities designed to increase profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud” (Friedman, 1970).

Also, CSR programs are more focused on increasing the reputation of companies and are very difficult to continue implementing in the long-term. Usually, those practices are created by companies because of external pressure rather than internal believes. In this regard, the impact of these practices is attached to the CSR budget of the company (Porter and Kramer, 2011).

Other negative perspectives related to CSR are:

- CSR allows governments to delegate their obligations to corporations.
- Since CSR practices create a competitive advantage among enterprises, it could impact negatively on small companies that cannot afford the costs of implementing high standard environmental policies.
- Most of the enterprises will invest in CSR if they are sure that they will make profits from these practices.
Shared Value

Usually, companies set specific short and long-term financial goals. However, enterprises should not only generate demand for their products or services but also look for a successful society (Porter and Kramer, 2011). In this regard, there are more leaders of corporations, such as Unilever, Nestlé, Intel, Vodafone, among others, that are focusing on creating solutions to social problems implementing a Shared Value Business Model (Pfitzer, Bockestette and Stamp, 2013).

This model allows corporations to create competitive advantage through its value chain, increasing productivity and innovation; while producing social value. Shared Value includes operating practices and policies that increase the competences of an enterprise and improve the economic and social conditions of the communities where the company is present.

Businesses incorporate a social mission in their organizational culture and produce innovations that can help to resolve social issues (Pfitzer, Bockestette and Stamp, 2013). In this sense, when corporations relate their success with improvements in the society, they become more efficient, differentiate their products and increase their markets (Porter and Kramer, 2011).

It is important that corporations communicate their social mission internally and externally to involve all areas of the company. This act would help to make partnerships with organizations that want to achieve similar objectives. Porter and Kramer have defined three ways in which corporations can develop shared value: “reconceiving products and markets, redefining
productivity in the value chain and building supportive industry clusters at the company’s locations”.

Table 1

<table>
<thead>
<tr>
<th>Levels of Shared Value</th>
<th>Business Results</th>
<th>Social Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Reconceiving products and markets:</em></td>
<td>- Increased revenue</td>
<td>- Improved patient care</td>
</tr>
<tr>
<td>How targeting unmet needs drives</td>
<td>- Increased market share</td>
<td>- Reduced carbon footprint</td>
</tr>
<tr>
<td>incremental revenue and profits</td>
<td>- Increased market growth</td>
<td>- Improved nutrition</td>
</tr>
<tr>
<td></td>
<td>- Increased profitability</td>
<td>- Improved education</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>*Redefining productivity in the value chain:</td>
<td>- Improved productivity</td>
<td>- Reduced energy use</td>
</tr>
<tr>
<td>How better management of internal operations</td>
<td>- Reduced logistical and</td>
<td>- Reduced water use</td>
</tr>
<tr>
<td>increases productivity and reduces risks</td>
<td>operating costs</td>
<td>- Reduced raw materials</td>
</tr>
<tr>
<td></td>
<td>- Secured supply</td>
<td>- Improved job skills</td>
</tr>
<tr>
<td></td>
<td>- Improved quality</td>
<td>- Improved employee incomes</td>
</tr>
<tr>
<td></td>
<td>- Improved profitability</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><em>Enabling cluster development:</em></td>
<td>- Reduced costs</td>
<td>- Improved education</td>
</tr>
<tr>
<td>How changing societal conditions outside the</td>
<td>- Secured supply</td>
<td>- Increased job creation</td>
</tr>
<tr>
<td>company unleashes new growth and productivity</td>
<td>- Improved distribution</td>
<td>- Improved health</td>
</tr>
<tr>
<td>gains</td>
<td>infrastructure</td>
<td>- Improved incomes</td>
</tr>
<tr>
<td></td>
<td>- Improved workforce access</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Improved profitability</td>
<td></td>
</tr>
</tbody>
</table>

Source: Porter, Hills, Pfitzer, Patscheke and Hawins, 2011

First, the company must recognize the societal needs, harms and benefits that are related to its products or services. When a corporation identifies them, it can also determine opportunities to differentiate from competitors. Also, the business can find new potential markets and partners to solve social needs (Pfitzer, Bockestette and Stamp, 2013 & Porter and Kramer, 2011). In
developed economies, the demand for products that solve society’s needs, such as nutrition, health, reduced environmental damage, among others, is increasing. In this sense, food corporations are focusing on offering better nutrition rather than better taste to customers, reconceiving their products (Porter and Kramer, 2011).

Societal difficulties can increase economic costs in the company’s value chain. Companies that implement a shared value model can produce cost savings through the increase of the product’s quality and the company’s operations efficiency. For instance, Walmart saved $200 million in 2009 when it decided to decrease its packaging and redirect its trucks. In this way, redefining productivity in the value chain creates shared value for the organization (Porter and Kramer, 2011).

Moreover, corporations can examine the use of resources and logistics in their value chain. The analysis of resource use, such as raw materials, water, energy, among others, has a positive effect in channels and suppliers. In this sense, for instance, businesses can improve their energy use through the implementation of recycling, cogeneration and technology. When businesses adopt a shared value model, they decide to provide technology, train on best practices and financing to their suppliers. In consequence, they can have access to a better quality of products. Since suppliers become more competitive and efficient, they tend to reduce their environmental effect. Also, shared value increases employee productivity. It is proved that when companies focus on improving employee health care programs and benefits, companies become more competent.

Another form to create shared value is through enabling local cluster development. Clusters consist of organizations such as businesses, suppliers, trade associations, academic institutions, among
others. These group of institutions can create innovation, productivity and competitiveness when they work together. In this sense, companies can also empower communities where they have operations.

**Table 2**

The differences between CSR and SV are:

<table>
<thead>
<tr>
<th>CSR</th>
<th>SV</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value: doing good</td>
<td>Value: Economic and societal benefits relative to cost</td>
</tr>
<tr>
<td>Citizenship, philanthropy, sustainability</td>
<td>Join company and community value creation</td>
</tr>
<tr>
<td>Discretionary or in response to external pressure</td>
<td>Integral to competing</td>
</tr>
<tr>
<td>Separate from profit maximization</td>
<td>Integral to profit maximization</td>
</tr>
<tr>
<td>Agenda is determined by external reporting and personal preferences</td>
<td>Agenda is company specified and internally generated</td>
</tr>
<tr>
<td>Impact limited by corporate footprint and CSR budget</td>
<td>Realigns the entire company budget</td>
</tr>
</tbody>
</table>

Source: Porter and Kramer, 2011

Unilever, a multinational consumer goods enterprise, is an example of an institution that has implemented a Shared Value Model. The company developed an ambitious 10-year Unilever Sustainable Business Plan and established partnerships with governments, NGOs, financial community, among others. Consequently, the firm has proved that to achieve sustainable goals, it is necessary to build long-term relationships with other organizations and has encouraged companies to build partnerships.

Unilever has shown that a long-term business model is more profitable and improves the reputation of a firm. Unilever’s Sustainable Living brands grew 46 percent than the other brand and accounted for 70% of the company’s turnover growth. Thus, the long-term business model made the company
more competitive because it was innovative and improved its supply chain, reduced costs, and created value to its consumers, society and shareholders. Also, Paul Polman, Unilever’s former CEO was recognized with the Champion of the Earth Award from the United Nations in 2015. Furthermore, Unilever is considered by employees as one of the best companies to work with.

Finally, it is important that companies can measure the shared value created and track the relationship between social and financial results because this will help them to expand to other markets and validate the economic resources invested. Although there are not yet shared value accounting standards, The Sustainability Accounting Standards Board and the International Integrated Reporting Council are generating standards to measure environmental and social impact made by companies (Pfitzer, Bockestette and Stamp, 2013).
III. Case Study: CEMEX’s Approach to Social Engagement

CEMEX is a building materials corporation that has presence in more than 50 countries located in Asia, Africa, America, Europe and Middle East (Please see Annex 1). The corporation has been operating for more than 100 years and it ranks fifth in the Top 10 Global Cement Producers according to the Global Cement Directory 2018. CEMEX offers high-quality products and services to its customers and promotes sustainable future through efficiency improvements and innovative building solutions.

The company had annual sales of $14.4 billion, Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) of $2.6 billion and Net Income of $543 million in 2018. It has more than 42,000 employees, 56 cement plants, 1,490 ready-mix concrete plants and 258 land distribution centers. CEMEX has an important presence in the European market with 31%, 48% and 62% of its total cement plants and mills, ready-mix concrete plants and aggregates quarries, respectively, located in this region.

The enterprise generates, distributes and sells cement, ready-mix concrete, aggregates, as well as related building materials and services. CEMEX offers products and services to meet its customer’s needs, which are related to home construction, renovation, improvement; and industrial, agricultural and marine applications. Thus, the enterprise provides crushed stone, manufactured sand gravel, recycled concrete, sand, gray ordinary portland, white portland, architectural and decorative ready mix-concrete, among other products. CEMEX also provides
related products for the construction needs, such as concrete blocks, architectural products and roof tiles, among others.

The mission of the company is “To create sustainable value by providing industry-leading products and solutions to satisfy the construction needs of our customers around the world”. In this regard, CEMEX helps customers by offering them high quality products, innovative solutions and great customer experience. The purpose of CEMEX is to build a better future for its employees, customers, shareholders, and suppliers.

The corporation promotes innovation, operational efficiency, financial strategy and the practice of corporate governance and ethics. CEMEX has a diversified portfolio of assets, promotes sustainable practices in its strategy and operations and invests in new and improved construction and concrete products, cementitious materials, among others, developed by its Global Research and Development Center in Switzerland. In this sense, the company tries to find environmentally friendly products.

The corporation promotes the following values: act with integrity, ensure safety, work as one CEMEX, focus on customers and pursue excellence. It creates value for its employees, customers, shareholders, communities and suppliers. Thus, the corporation provides an excellent workplace where its personnel can build their skills and expertise; designs products and services that solve its clients’ requirements, increases revenues; builds inclusive communities and boosts the creation of sustainable goods and services.
The main leaders of CEMEX are the Chief Executive Officer, Executive Vice President of Investor Relations, Corporate Communications and Public Affairs, Executive Vice President of Corporate Affairs and Enterprise Risk Management, Executive Vice President Global Supply Chain Development, Executive Vice President of Sustainability and Operations Development, Executive Vice President of Finance and Administration, among others. Most of them have more than 20 years working in the organization. The Board of Directors have 5 Non-Independent Directors and 10 Independent Directors.

The company’s engagement to implementing sustainable practices is reflected in its Sustainability Committee comprised by four board members and one secretary. This Committee is accountable for including sustainable development in the strategy of the corporation, monitoring its sustainability programs and leading CEMEX’s strategic direction regarding sustainability. The Committee is also committed to CO₂ Management and Climate Change strategy.

The Sustainability Committee discussed the following topics during 2018: High-impact Social Initiatives, Human Rights Respect Strengthening Plan, Global and Regional Sustainability Risks Agenda Update, Sustainability Key Performance Indicators Annual Performance and CEMEX’s 2017 Integrated Report Structure and Content, among others. This Committee had quarterly meetings last year that led the following results: The Diversity and Inclusion Policy, Human Rights Policy Enhancement and CEMEX Sustainability Scorecard that allows monitoring the performance of all CEMEX’s operations towards its worldwide goals.

Globally, CEMEX has a Responsible Business Area that is comprised by four departments: Shared Value and Innovation, Global Responsible Practices and SDGs, Community Development and
CEMEX-Tec Center. Also, CEMEX has a Director of Sustainability in charge of topics related to energy, water, environmental restauration, among others; a Director of Social Responsibility who works with NGOs, communities and inclusive businesses; and a Director of Public Affairs who works with governments.

There are social responsibility leaders in Mexico, Latin America, USA, Europe, Philippines and Egypt. In fact, most of CEMEX success stories are in Mexico and Latin America. However, the company is looking to fortify its sustainable practices in developed regions, such as USA and Europe, where its teams are not only responsible of sustainable practices but also of other duties. In this sense, CEMEX is in the process of hiring a Shared Value Advisor, who will help CEMEX country teams to identify and create shared value business models. Also, the company is looking to incorporate more technology to measure and increase its social impact in the medium term.

The CEO is committed to communicating the mission of the company across the whole organization. The company organizes Shared Value Workshops where the employees can generate ideas regarding sustainable practices that can be implemented in CEMEX’s business model. Those ideas are presented to the CEO and Sustainability Committee to be evaluated. In this sense, the corporation tries to involve all the organization in the creation of shared value practices. In 2017, 24 cement plants in 12 countries received Shared Value Workshops.

The enterprise establishes a Materiality Assessment, that follows the Global Reporting Initiative (GRI) structure, every three years to recognize the most important issues for the corporation and align its resources to its top priorities. The Materiality Matrix classifies the materiality of the social,
economic, governance and environmental issues that concern CEMEX’s stakeholders and its impact on the organization. According to the GRI Standards Glossary 2018, “impact refers to the effect an organization has on the economy, environment, and/or society, which in turn can indicate its contribution to sustainable development”. The Matrix, updated in 2017, shows that Customer Experience and Satisfaction, Health and Safety, Business Ethics and Transparency and Employee Engagement and Development represent the issues with highest materiality.

![Materiality Matrix](image)

Source: CEMEX Integrated Report 2018

CEMEX is committed to the United Nations Sustainable Development Goals (SDG) and has prioritized five SDG goals that are connected to its business in order to create economic, social and environmental value for all its stakeholders. These goals are Decent Employment and Economic Growth (SDG 8), Innovation and Infrastructure Development (SDG 9), Climate Change Mitigation (SDG 13), Environmental and Ecosystem Conservation (SDG 15) and
Sustainable Cities and Communities (SDG 11). Focusing on these goals, the company can recognize business opportunities linked to its strategy and to innovation, diversity, research, among others, generating more social impact.

CEMEX has implemented Shared Value practices, working with communities and local authorities to solve critical issues, including access to basic services, employment, land ownership, financial inclusion and housing. Thus, the corporation has worked with more than 16 million community stakeholders. CEMEX believes that by engaging in SDGs, the company will be building a better future, tackling challenges such as environmental changes, poverty, and lack of education, among others.

In addition, the corporate strategy of CEMEX includes sustainability, which is connected to all the business lines. In fact, the company developed its own 2030 Sustainability Ambitions that are also related to the five SDGs that CEMEX selected as priority. The employees from every region participated with the Sustainability Team in the process of developing the 2030 Sustainability Ambitions.

The corporation established eleven focus areas: Health and Safety, Sustainable Construction, Circular Economy, Climate Change, Air Emissions, Biodiversity and Water, Communities, Employee Experience, Customer Centricity, Suppliers and Ethics and Compliance. Each focus area has a Key Performance Indicator (KPI), a 2030 Target and a Priority SDG associated to it (Please see Annex 2).
Health and Safety is one of the top priorities for CEMEX and this “ambition” is committed to avoiding human losses. Health and Safety is associated with SDG 8, 9 and 11. Its KPIs are Number of employee fatalities and Number of employees lost injuries, which were 0 and 49 respectively in 2018. The 2030 target is 0 for both KPIs. In fact, the enterprise has invested more than US$13 million on safety tools for its trucks, such as vehicle sensors, additional mirrors, that allow to increase road safety for its employees.

Also, CEMEX is committed to guaranteeing that half of its ready-mix concrete sales is associated to higher sustainability performance. In this regard, the corporation focuses on producing new forms of cements in a sustainable form. Sustainable construction is linked with SDG 9, 11, 13 and 15. The KPIs for this area is Percentage of annual sales from cement and ready-mix concrete products with outstanding sustainable attributes which reached the level of 43% in 2018 (the 2030 Target is at least 50%).

CEMEX transforms non-recyclable waste into alternative fuels and raw materials in the cement process. In fact, the corporation considers itself a “Waste Eater”, since it consumed 32 times more waste than it generated in 2018. Thus, CEMEX uses non-recyclable by-products from the iron, steel and power industry that represents more than 13 million tons. This amount corresponds to the waste that approximately 50 million people generate per year.

Also, the corporation uses by-products and residues as substitutes for cement or natural aggregates in its ready-mix concrete production. In this regard, the Circular Economy “ambition” is linked with SDG 8, 9, 11, 13 and 15. Its KPI is Total consumption of waste-derived sources
from other industries (million ton), which was 13 million ton in 2018 while the company’s 2030 Target is 19 million ton.

Moreover, CEMEX is committed to Climate Change. The Cement Industry is the source of approximately 8% of the Carbon Dioxide (CO₂) emissions in the world. In fact, every year over 4 billion tonnes of cement are generated (Lehne, J & Preston F, 2018). CEMEX has set as KPI for the Climate Change Ambition, the Reduction of net CO₂ emissions per cementitious vs 1990 aligned to science-based target methodology (%) and Power consumption from renewable energy in cement (%).

In 2018, the company achieved 22% and 26%, respectively; while its 2030 Target is 29% and 40%, respectively. Also, CEMEX is adapting a CO₂ reduction roadmap per cement installation that considers energy sourcing and efficiency, fuel mix and raw meal composition, clinker substitutes, novel cements, carbon capture and storage¹.

The company has established Continuous Emissions Monitoring Systems (CEMS) in all the regions in which CEMEX operates, even though there are countries that do not require to align to environmental regulation. The corporation has established environmental standards based on the Best Available Techniques (BAT) of the European Union. Thus, CEMEX invested in replacing electro filters with bag filters and reducing its SOₓ and NOₓ emissions in 2018. Moreover, 98% of clinker was made in plants with CEMS during 2018.

¹“Carbon Capture and Storage (CCS) is a technology that can capture up to 90% of the carbon dioxide (CO2) emissions produced from the use of fossil fuels in electricity generation and industrial processes, preventing the carbon dioxide from entering the atmosphere.” Carbon Capture and Storage Association (2019). Retrieved from http://www.ccsassociation.org/what-is-ccs/
In this sense, the Air Emissions Ambition has as 2030 Targets, 95% Reduction of dust emissions per ton of clinker vs. 2005, 47% Reduction of NO\textsubscript{X} emissions per ton of clinker vs. 2005 and 67% Reduction of SO\textsubscript{X} emissions per ton of clinker vs. 2005. It is positive that the company has achieved almost all of its 2030 Air Emissions Targets, reaching 87%, 45% and 64%, respectively, in 2018.

Regarding the focus area of Biodiversity and Water, CEMEX has worked with BirdLife International implementing Biodiversity Action Plans (BAPs), a framework to recognize and protect biodiversity, that allows to rehabilitate extracted areas. BirdLife is a conservation charity with more than 121 BirdLife Partners in the world that attempts to preserve birds, their habitats and global diversity. BirdLife has been working with CEMEX for more than 10 years to protect species, with important conservation priority, in CEMEX quarries. By 2020, the goal of both institutions is that all CEMEX quarries located at Important Bird and Biodiversity Areas (IBAs)\textsuperscript{2} will implement BAPs.

Moreover, every business unit of CEMEX elaborates a Community Engagement Plan (CEP) that is an annual schedule of projects and programs focused on the communities and the environment. CEMEX has Internal and External Committees that help with the management of community issues, follow up of these issues and design, implement and monitor CEMEX stakeholder engagement efforts. These committees led over 400 stakeholder dialogues in 2018.

\textsuperscript{2} IBAs are “Places of international significance for the conservation of birds and other biodiversity, recognized world-wide as practical tools for conservation, distinct areas amenable to practical conservation action, identified using robust, standardized criteria and sites that together form part of a wider integrated approach to the conservation and sustainable use of the natural environment” according to BirdLife International. Retrieved from https://www.birdlife.org/worldwide/programme-additional-info/important-bird-and-biodiversity-areas-ibas
In Spain, for instance, Internal and External Committees were composed by the director of the plant, local mayors, local environmental representatives, neighborhood representatives, among others. Since the interest of the community of Morata was education, the company has offered, since 2016, CEMEX Morata summer camp for kids, where children have English classes with native teachers.

CEMEX has developed over 500 strategic alliances and partnerships. Thus, the company has implemented joint projects, shared best practices documents and created pilots of innovative solutions related to environment, social integration, resiliency, inclusive business, affordable housing, among others. Also, the corporation supports diverse education initiatives with its communities to generate awareness on youth employability, women’s economic empowerment, health campaigns and prevention of violence.

In fact, the company implemented the Inclusive Schools Program in Mexico that endorses the execution of sustainable, safe and inclusive schools in Mexico. The purpose of the program is that every child, including child with disabilities, can have access to classes in optimal infrastructure conditions. The program has been implemented in six schools in Mexico benefitting 2,500 people.

The company has executed also the Safe School Program in Dominican Republic. This program seeks to improve the culture of safety. CEMEX works with the school through the process of making strategic alliances with authorities, creating a school safety committee, training of fire brigades and auditing for the school emergency plan, among others.
CEMEX has also implemented 20 Community Centers that offer courses to boost sustainable communities. These Community Centers have offered more than 1,700 workshops in English, business management, gastronomy, among other topics, in Mexico, Panama, Puerto Rico, Costa Rica and Colombia. In addition, the company is part of Nuevos Empleos y Oportunidades (NEO) a multi-stakeholder initiative that has as goal closing the gap between employer demand and youth skills in Latin America and the Caribbean.

NEO was launched in 2012 and is led by the Multilateral Investment Fund (MIF), Caterpillar Foundation, Walmart, Microsoft and CEMEX, among others. NEO provides training and employment opportunities to underprivileged youth between 16 and 29 years old and contributes with the SDG 9. NEO has influenced approximately 40,000 people during 2018 in Mexico.

The corporation encourages the integral development of women through the ANSPAC program. ANSPAC works with companies, government institutions and communities in Latin America to offer courses to women taught by trained volunteers. CEMEX has implemented this program in Panama for 10 years. 90 women received classes related to beauty, pastry, crafts, among others in 2018. Women also received values-based training to increase their personal skills.

The corporation has partnered with the Organization of American States (OEA) and the Trust for the Americas to create soft skills and economically empowering entrepreneurship in women through Ven, Inspírate y Vende (VIVE). During its two years of operations, VIVE has trained more than 38,000 women in Latin America and The Caribbean. CEMEX has trained 227 women in its Community Centers in Mexico in 2018.
Moreover, the company implements a Resiliency and Urban Transformation Strategy and promotes a culture of prevention and how to react if a natural disaster occurs. It is leader of the Private Sector Alliance for Disaster Resilient Societies (ARISE), which is part of the United Nations International Strategy for Disaster Reduction (UNISDR).

CEMEX has implemented reconstruction education programs that has benefitted over 8,100 people in Trinidad y Tobago, Puerto Rico, Mexico, Guatemala and the Philippines. CEMEX is working on the reconstruction project to deliver adequate housing to 62 families who were affected by the earthquake in Oaxaca, Mexico in 2017. This project seeks to recuperate physical space, provide psychosocial support, restore the main public spaces and give civil protection information to the population, among others.

The corporation has implemented housing initiatives, such as Patrimonio Hoy, Construyo Contigo Yo Construyo. ConstruApoyo and Clean Cook Stoves. These initiatives aim to address poverty in vulnerable areas through microcredits. Patrimonio Hoy is an inclusive business that provides microcredit loans and technical assistance to low-income communities, allowing them to afford materials for the construction or improvement of their homes. Patrimonio Hoy has as main goal increasing home safety and quality. It has been implemented in Nicaragua, Costa Rica, Mexico and Dominican Republic. In this regard, this program contributes to SDG 11. Approximately 75,00 people participated in this program in 2018 and 4.6 million squares were built since Patrimonio Hoy started in 1998.
Construyo Contigo establishes public and private partnerships to give housing construction skills and subsidies and/or microloans to low-income participants who have sub-standard housing. In this regard, families can make improvements to their current houses or build new ones. The Centers of Self-Employment of CEMEX allow them to receive technical assistance and knowledge of building materials’ production. More than 274,000 people have benefitted to date from these Centers.

Yo Construyo is a training and advisory program for vulnerable population to gain knowledge regarding construction and housing upgrades. It is taught in partnership with the Tecnológico de Monterrey through the CEMEX-Tec Center for Sustainable Development. This program promotes cost-effective and high-quality building and the implementation of sustainable criteria. There have been 1,400 graduates from this program.

ConstruApoyo is an initiative that allows microfinance institutions and distributors from CEMEX’s value chain to offer financial alternatives to homeowners. In this regard, they can buy construction materials to upgrade their houses. ConstruApoyo uses technology to allow private and government entities to provide funding for improving housing and to deliver construction materials efficiently. More than 38,500 families participated in the program accumulative to date.

Clean Cook Stoves provide cleaner and healthy cooking solutions to new markets. CEMEX’s ecological stoves are designed with the purpose of replacing the use of the traditional stove that produces high smoke emissions causing serious health problems. Clean Cook Stoves boil a liter of water in seven minutes, have a lifespan of approximately 15 years and prevent burns and
accidents. The use of Clean Cook Stoves has mitigated 560,000 tons of CO₂. CEMEX has partnered with government, Microfinance Institutions and local women’s groups to benefit approximately 23,000 households.

[Image: Clean Cook Stove]

Clean Cook Stove

Source: Cemex, 2019

CEMEX has created CEMEX-Tec Center to foster sustainable communities through entrepreneurship, innovation and research programs. Thus, the corporation develops opportunities to collaborate with the private and public sector, academia and civil society to increase the quality of life in rural and urban areas. The Center has implemented Knowledge Transfer Programs that aim to increase self-employment in the construction area. For instance, Yo Emprendo Program offers technical trainings in sustainable construction. The goal of this program is to raise the quality of construction in Mexico and promote the best sustainable practices in the sector.
CEMEX-Tec Center conducts research and consulting evaluations. It conducts social baseline studies to improve access to affordable, safe and sustainable services in rural and urban areas. Multidisciplinary researchers generate proposals for the improvement of communities. The Center has elaborated 16 studies of environment in areas where CEMEX has operations, such as Panama, Costa Rica, Mexico and Colombia.

CEMEX-Tec Center is part of RedEAmerica, a network composed by more than 80 corporate foundations and companies that foster sustainable practices in Latin America and the Caribbean. RedEAmerica has funded the coaching and microfinancing of over 200 projects that befitted more than 400 organizations and over 45,000 people in Latin America and the Caribbean. In addition, CEMEX-Tec Award allows the company to give training, networking and financing to micro, small and medium organizations.

CEMEX-Tec Award distinguishes students and entrepreneurs who present high impact project that promote innovation and sustainable development. The winners receive funding and networking opportunities and attend workshops. During 2018, 2,300 projects in 32 countries were presented. CEMEX-Tec Award has four categories for the 2019 edition: Transforming Communities, Social Entrepreneurs, Community Entrepreneurship and Collaborative Action.

Transforming Communities looks for proposals from higher education and postgraduate students for sustainable transformation. Social Entrepreneur is addressed to entrepreneurs that have projects that solve social issues and have the potential to become social businesses. Community Entrepreneurship seeks foundations, civil associations or cooperative with social transformation
projects. Finally, Collaborative Action looks for organizations with social projects that can be executed through partnerships.

CEMEX has established the Rural Business Entrepreneurs Program that gives rural entrepreneurs from Costa Rica tools to sell their products, such as coffee, bread and honey, outside their communities. This program helps to boost the economy of the country by creating employment, empowering vulnerable people, growing the profits of small producers and generating access to markets. In 2018, the program had 12 rural businesses.

Moreover, the Entrepreneurship Facilitation Program empowers entrepreneurs in Payande, Colombia. The program develops interpersonal and leadership skills and help them networking with clients. Also, the participants have access to a mentoring committee of experts and a facilitator who give feedback and follow-up to the members. In 2018, 122 entrepreneurs participated in the program, 90% of them met potential consumers and 70% of the entrepreneurs improved their sales after finishing the program.

CEMEX is also committed to endorse an accountable use of natural resources and promote a culture of safety and health. In this sense, the organization has partnered with other institutions to restore and safeguard endangered zones. Thus, CEMEX has implemented the Community Environmental Restoration Program in Mexico that aims to coach young leaders to become environmental promoters in the communities where they live. Over 1,200 people have received the training to date.
Additionally, the Integral Program for Rural Development from CEMEX aims to protect the fauna and flora, contributing to SDG 15. This program looks to stop the extinction of endangered species and decrease the deprivation of natural habitats. It generates employment opportunities by the creation of entrepreneurial projects. Also, the Health, Safety and Preparedness Program shares sessions of disaster preparedness in the Philippines, reducing the exposure of the communities to disaster and contributing to SDG 3.

CEMEX encourages good health and wellbeing in the communities where it operates. For example, in Croatia, the company promotes the participation of its employees in Croatia’s National Race. In the United States, the corporation also promotes health safety via the participation of its workers in races. In Spain, CEMEX’s employees and their families participate in cycling races that contribute to their wellness. Over 3,500 pedestrians and cyclists went to CEMEX Exchanging Places events worldwide.

CEMEX has made alliances with Acocha community organizations and the National Association for the Conservation of Nature (ANCON) to protect the biological diversity of CEMEX quarries in Panama, contributing to SDG 15. In fact, the company is leading the first project centered on the ecological renovation in the country by fostering land recovery, habitat and biodiversity protection. This project benefits 40 families who live in communities close to CEMEX operations.

CEMEX has developed the CEMEX Volunteers Program that gives the opportunity to its employees to have a positive impact in the world. This program is aligned with CEMEX business
strategy and promotes shared value. CEMEX employees have periodic meetings with neighbors, NGOs, schools and governments to address topics of interest. For example, the corporation has executed the Hands-on Program that implemented road security initiatives and reforestation actions. In this sense, over 660 of CEMEX employees participated in more than 50 events in Mexico. This program has a positive influence in the wellbeing of the employees and community. In 2018, there were more than 320 volunteer activities, over 4,600 employees who volunteered and more than 29,000 hours that employees allocated to volunteering.

CEMEX is part of the United Nations (UN) Global Compact, the principal corporate sustainability initiative of the world. UN Global Compact has more than 4,000 non-business members and 8,000 corporations in more than 160 countries. Its participants constitute approximately every industry and are from developing and developed countries. UN Global Compact requires that companies align their operations, policies and strategies with ten principles related to human rights, labour, environment and anti-corruption. CEMEX was one of the first companies that joined UN Global Compact in 2004 in Mexico, endorsing more enterprises to join this initiative.

Moreover, through CEMEX University (CXU), CEMEX employees can have access to health and safe, supply and chain, commercial, leadership and operational classes, among others. In fact, CXU offers over 30 classes. Thus, the corporation has developed a continuous learning system for its workers. In 2018, approximately 15,000 employees across thirty business units participated in CXU. The educational institution won the bronze medal for Best Advance in

Moreover, CEMEX USA is the first office recognized with the LEED Gold Certification from the U.S. Green Building Council. The new headquarters building was made of 20 percent recycled material and has 10 zones for recycling food waste, paper, plastic, cardboard and metals. 91 percent of CEMEX USA structure is lightened by daylight and there is 32 percent water consumption decrease via effective water fixtures.

The company has set its Green Building Management and Certification Policy to reduce environmental negative effects in the structure and operations of its buildings. Also, the company motivates architects, engineers and building specialists to use sustainable practices in their constructions. Thus, CEMEX recognizes annually, through its CEMEX Building Award, the best projects that utilize concrete with a sustainable focus. In 2018, 623 projects were presented in Mexico and 63 projects participated in the International Edition.

The sustainability practices of the corporation have been recognized by the MSCI Environmental, Social and Governance (ESG), Mexican Stock Exchange Sustainability Index and the Vigeo Eiris Best Emerging Markets Performers Ranking, among others. These organizations recognize the performance of CEMEX related to corporate governance, environment and social practices. Also, CEMEX was awarded as the Most Admired Company in Mexico, Central America and the Caribbean by Forbes in 2018. In this regard, the corporation has implemented the shared value model benefiting its stakeholders and increasing its reputation.
IV. Conclusions and Recommendations

Corporations can make a social and economic impact upon the world. In fact, the top 100 richest entities in the world include 69 corporations and 31 countries. In this regard, there are certain practices that companies can implement, such as Corporate Social Responsibility (CSR) and Shared Value (SV), to help reducing poverty and climate change effects, and increase access to education and healthcare.

Companies can develop CSR practices, such as Fair Trading and Corporate Philanthropy. However, CSR programs are more focused on increasing the reputation of companies and are very difficult to continue implementing in the long-term. In fact, the impact of those practices is attached to the CSR budget of the company.

Thus, the SV model could be considered the alternative model that corporations can execute to engage with society. In this sense, businesses could incorporate a social mission in their organizational culture and produce innovations that can help resolving social issues. Also, companies will become more efficient, differentiate their products and increase their markets.

For instance, CEMEX has implemented the SV model. It has designed a Sustainability Committee that is responsible for including sustainable development in the strategy of the corporation, monitoring its sustainability programs and leading CEMEX’s strategic direction regarding sustainability. CEMEX is also committed to the United Nations Sustainable Development Goals (SDG) and has prioritized five SDG goals: Decent Employment and Economic Growth (SDG 8), Innovation and Infrastructure Development (SDG 9), Climate Change Mitigation (SDG 13),
Environmental and Ecosystem Conservation (SDG 15) and Sustainable Cities and Communities (SDG 11).

Additionally, the corporation developed its 2030 Sustainability Ambitions that focus on Health and Safety, Sustainable Construction, Circular Economy, Climate Change, Air Emissions, Biodiversity and Water, among other areas. CEMEX has worked with communities and local authorities to solve critical issues, including access to basic services, employment, land ownership, financial inclusion and housing. In this regard, the corporation has worked with more than 16 million community stakeholders.

Therefore, CEMEX is a clear example that companies that implement shared value practices can have a positive impact upon communities, employees, shareholders, NGOs, governments, among other stakeholders; if the leaders of the corporations are committed to the SV model and are willing to achieve an excellent communication of its sustainable strategy across the whole organization. In this regard, corporations should implement shared value practices since this model will allow them creating competitive advantage through its value chain, increasing productivity and innovation; while producing social value.
V. APPENDIX 1: Global Presence

Source: CEMEX, 2019
## VI. APPENDIX 2: CEMEX 2030 Sustainability Ambitions

<table>
<thead>
<tr>
<th>Focus Area</th>
<th>KPI</th>
<th>2018</th>
<th>2030 Target</th>
<th>SDGs related to Focus Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health and Safety</td>
<td>Employee fatalities (No.)</td>
<td>0</td>
<td>0</td>
<td>SDG 8, 9, 11</td>
</tr>
<tr>
<td></td>
<td>Employee Lost Time Injuries (No.)</td>
<td>49</td>
<td>0</td>
<td>SDG 8, 9, 11</td>
</tr>
<tr>
<td>Sustainable Construction</td>
<td>Annual sales from cement and ready-mix concrete products with outstanding sustainable attributes (%)</td>
<td>43</td>
<td>≥50</td>
<td>SDG 9, 11, 13, 15</td>
</tr>
<tr>
<td>Circular Economy</td>
<td>Total consumption of waste-derived sources from other industries (million ton)</td>
<td>13.2</td>
<td>19</td>
<td>SDG 8, 9, 11, 13, 15</td>
</tr>
<tr>
<td>Climate Change</td>
<td>Reduction of net CO2 emissions per cementitious product vs. 1990 aligned to science-based targets methodology (%)</td>
<td>21.6</td>
<td>29</td>
<td>SDG 9, 11, 13, 15</td>
</tr>
<tr>
<td></td>
<td>Power consumption from renewable energy in cement (%)</td>
<td>26</td>
<td>40</td>
<td>SDG 9, 11, 13, 15</td>
</tr>
<tr>
<td>Air Emissions</td>
<td>Reduction of dust emissions per ton of clinker vs. 2005 (%)</td>
<td>87</td>
<td>95</td>
<td>SDG 11, 15</td>
</tr>
<tr>
<td></td>
<td>Reduction of NOX emissions per ton of clinker vs. 2005 (%)</td>
<td>45</td>
<td>47</td>
<td>SDG 11, 15</td>
</tr>
<tr>
<td></td>
<td>Reduction of SOX emissions per ton of clinker vs. 2005 (%)</td>
<td>64</td>
<td>67</td>
<td>SDG 11, 15</td>
</tr>
<tr>
<td>Biodiversity and Water</td>
<td>Quarry rehabilitation plans, Biodiversity Action Plans (BAPs), and third party certification (% from target quarries)</td>
<td>65</td>
<td>100</td>
<td>SDG 11, 13, 15</td>
</tr>
<tr>
<td>Communities</td>
<td>Community engagement plans with formal stakeholder dialogues and committees in all priority sites (%)</td>
<td>88</td>
<td>100</td>
<td>SDG 8, 9, 11</td>
</tr>
<tr>
<td></td>
<td>Community partners (i.e., individuals positively impacted from our social initiatives) (million people)</td>
<td>16.1</td>
<td>30</td>
<td>SDG 8, 9, 11, 13, 15</td>
</tr>
<tr>
<td>Employee Experience</td>
<td>Employees that would recommend CEMEX as a good place to work (%)</td>
<td>79</td>
<td>≥80</td>
<td>SDG 8, 9</td>
</tr>
<tr>
<td></td>
<td>Implementation of key diversity and inclusion initiatives in our business units (%)</td>
<td>0</td>
<td>100</td>
<td>SDG 8, 9</td>
</tr>
<tr>
<td>Customer Centricity</td>
<td>Net Promoter Score (NPS) (%)</td>
<td>44</td>
<td>60</td>
<td>SDG 8, 9, 11</td>
</tr>
<tr>
<td>Suppliers</td>
<td>Sustainability assessment executed by an independent party for our critical suppliers (%) spend</td>
<td>44</td>
<td>80</td>
<td>SDG 8, 9, 11, 13, 15</td>
</tr>
<tr>
<td>Ethics and Compliance</td>
<td>Implementation of Ethics and Compliance Continuous Improvement Program (%)</td>
<td>50</td>
<td>100</td>
<td>SDG 8, 9</td>
</tr>
</tbody>
</table>

Source: 2018 Integrated Report. CEMEX. Building a Stronger CEMEX
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