

Focus on CEMEX

COMPANY OVERVIEW

CEMEX is a multinational building materials company headquartered in Nuevo León, Mexico. The company generates about 13 billion USD in annual sales and is a leading manufacturer and distributor of cement, ready-mix concrete, aggregates and urbanisation solutions, with a presence in over 50 countries.

CEMEX recognises that the global challenges of climate change and biodiversity loss have increased constraints on resources for the cement industry. The company also understands the social impacts of these environmental issues, and that failure to secure buy-in from consumers and communities could prevent it from operating in key landscapes. As such, CEMEX is dedicated to creating a sustainable future by addressing environmental challenges and meeting, or exceeding, stakeholder expectations.



Why climate and nature?

Climate change represents a significant challenge for the cement industry, which is responsible for 5-8% of global CO₂ emissions. The industry is energy intensive and its chemical process emits carbon. CEMEX also recognises that nature is a critical ally in the fight against climate change, by building resilience and helping us to adapt to climate impacts. It is also fundamental to implement the correct regulations and carbon pricing mechanisms in key regions, and for CEMEX to address its emissions in accordance with these new regulations.

SUSTAINABILITY JOURNEY

Started in 1999 Co-creates the [Cement Sustainability Initiative](#) through the [World Business Council for Sustainable Development](#), which unites global, regional and local cement businesses under the goals of understanding, managing, measuring and minimising environmental impacts. This undertaking creates a mindset shift within CEMEX, prompting it to publish goals on sustainability issues such as climate, nature, biodiversity, and health and safety.

Started in 2005 Recognising that environmental regulation varies widely between countries, CEMEX begins development of specific, voluntary global targets, setting long term goals for carbon emissions, air quality and biodiversity management among other sustainability targets.

Started in 2018 Co-founds the Global Cement and Concrete Association to extend sustainable development across the entire value chain down to the concrete sector.

Started in 2020 Seeking to lead industry climate and nature preservation action, the company sets an ambitious and science-based target to reduce its carbon emissions by 40% by 2030 and announces its ambition to deliver net-zero concrete globally by 2050.

KEY ACTIVITIES AND ACHIEVEMENTS

As a company whose business relies on extracting raw materials, CEMEX has cultivated a culture of respect for nature and understands that extraction activities need to be carried out responsibly. CEMEX recognises the value of creating a Net Positive Impact on biodiversity by outweighing any impacts with actions to rehabilitate the affected landscapes and species and offsetting any residual impacts.

- By the end of 2020, 99% of its cement and aggregate quarries had rehabilitation plans in place, and 97% of the company's active quarries in high biodiversity value areas had biodiversity action plans (BAPs). CEMEX also has extended its biodiversity strategy with third-party conservation certifications.
- CEMEX expects the low-carbon products market to grow and, in response, launched Vertua low-carbon concrete in 2020, made through an innovative process that reduces the carbon footprint by up to 70%. The remaining emissions are neutralised through offsetting efforts.
- The company's water stress map, updated in 2019, identifies the more than 1,500 cement, ready-mix concrete, and aggregates sites located in water-stressed zones. CEMEX seeks to develop specific Water Action Plans (WAPs) for each of the mapped locations by 2030, prioritising implementation within the most stressed regions.

ENABLERS



INVESTOR PRESSURE

Investors are increasingly looking not only at companies' financial performance, but also commitment to the environment — they are in favour of sustainability criteria and transparent reporting through initiatives such as [TCFD](#) and [SASB](#).

As such, CEMEX was the first global player to publish an annual integrated report. In these reports, CEMEX calculates its monetary [Net Value to Society](#) using economic, social and environmental data.



GOVERNMENT REGULATIONS

In some regions, authorities have been a driver with strict regulations (e.g., carbon pricing mechanisms, EU Emissions Trading System). In the U.S., there is no federal-level CO₂ regulation, resulting in little pressure to act from a regulatory standpoint, although CEMEX is attuned to the Biden administration's interest in working towards net-zero goals, which would drive corporations to act accordingly.

Key Takeaways

“The primary way to build resilience for climate and nature is to first avoid damaging nature.”

CEMEX has worked with BirdLife International to carry out a Biodiversity Proximity Study using the [IBAT](#) tool to identify quarries with high conservation value. The findings of this assessment have provided a scientific basis to identify CEMEX's biodiversity-related priorities for the coming years.

“Implementing a successful action plan on nature and climate requires a holistic approach through goal setting, leveraging the best knowledge and advice, and proper planning.”

CEMEX's BAPs and WAPs drive the site-level conservation action needed to preserve biodiversity, particularly in high-risk areas.

“Communicating commitments, actions and progress is key for other companies to follow.”

Best practice sharing is critical to mobilising industries and value chains towards net-zero emissions and a nature positive future.

SPOTLIGHT ON: HOLISTIC CONSERVATION

For over 20 years, CEMEX has preserved natural areas at the [El Carmen Nature Reserve](#) in Mexico and the U.S., which comprises five different ecosystems and is home to diverse flora and fauna. El Carmen is located in a large water basin that helps to address the issue of water stress while its vegetation acts as a carbon sink.

CHALLENGES AND OPPORTUNITIES



CUSTOMER SATISFACTION

The cement industry's primary customers are construction operations. Many construction companies have not pressured suppliers to offer carbon-neutral materials — CEMEX has, however, been proactive in offering such products as a means of moving towards sustainable supply chains.



NGO COLLABORATION

NGOs are key partners in accelerating climate and nature action. CEMEX views organisations like [Wildlife Habitat Council](#) and [BirdLife International](#) as key stakeholders and uses their platforms to communicate progress on their climate and conservation efforts.

SPOTLIGHT ON: ANTICIPATING REGULATORY SHIFTS

Recognising the clear transition in CO₂ standards within key markets, CEMEX has developed a pro forma that projects the business impacts of internalising the cost of CO₂.

PRODUCED IN
PARTNERSHIP
WITH THE
FOLLOWING
ORGANISATIONS

