

**REMARKS BY MR. LORENZO H. ZAMBRANO,  
CHAIRMAN AND CEO OF CEMEX**

Good evening. Harrison Ford, Phil Watts, Friends of the World Environment Center, Ladies and Gentlemen:

Harrison, thank you very much for that kind introduction. Your long standing commitment to the environment is an important reminder of the impact individual leaders can have through their words and through their actions.

I am deeply honored to receive this award. I accept it with a profound respect for the World Environment Center and its mission. I accept it with a sense of pride, because it validates my personal and professional beliefs about the positive role global companies like CEMEX can play in creating a more prosperous and environmentally healthy future.

Most importantly, I accept this award with a profound sense of gratitude to the thousands of CEMEX employees around the world, whose daily efforts are creating a company that is dedicated to having a positive environmental impact on the communities in which they work. Their creativity, commitment and hard work have been, and will remain, the keys to our company's efforts to be a good steward of our natural environment.

Why is protecting the environment important for a global company like CEMEX?

The simple answer is globalization and the growth of civil society—two of the forces shaping the 21<sup>st</sup> century—are making environmental awareness a key element of any successful business model.

Globalization is a fact, not a theory: every day markets, countries, and communities are drawn closer together. What we do in Indonesia affects us in Mexico; what happens in Egypt impacts our business in Houston. One result is the necessity of defining and adopting global standards and global practices. For an industrialist, I believe there is not other way to manage a global enterprise.

At the same time, the growth of civil society has accelerated everywhere. People and communities are demanding a greater role in the definition of their own futures.

It is the intersection of these two forces that defines the world in which we live. If globalization allows us to operate common platforms worldwide, then the global growth of civil society demands that we interact with local

communities everywhere based on the same high principles and standards.

We cannot be a good corporate citizen, with an expansive view of our responsibilities and obligations in some markets, and disconnected unconcerned in others. In a world where everyone talks to everyone, it simply will not work.

Many critics of globalization acknowledge this paradigm, but reach a different conclusion. They argue that the opening of borders, the spread of global companies, and the development of new communication networks have generated a competitive race towards lower standards—in the environmental areas as well as other areas—that work against the interest of most for the benefit of the few.

But this is a view that is divorced from the reality of the global economy, from the reality of the world in which all the companies in this room and all the companies who are supporters of the World Environment Center function. In that world there is no trade-off between sustainable profitability and environmental responsibility, or between creating customer value and improving wage and safety standards, or between increasing returns on investment and contributing to local community development.

These are not contradictions; they are complements.

Indeed, in the real world these economic, environmental, and societal aspects of global business are increasingly integrated into a single equation that is one of the keys to sustainable development.

Let me now turn briefly to CEMEX.

In 1993, we made a public commitment to sustainable development. Since then we have worked hard to turn this commitment into practical reality and to integrate sustainable development practices into our business activities around the world.

Our initiatives are underpinned by three simple principles that are integral to our decision making;

- First, employ cutting-edge technology in our operational processes in order to assure energy efficiency and to optimize our use of raw materials;
- Second, promote a culture of environmental awareness, health, and safety within our company and our communities;

- Third, use the most effective and efficient equipment and systems to protect our people, neighbors, environment, and equipment.

Over time, our commitment to sustainable development has grown steadily stronger. We are developing new products and production techniques that minimize waste generation. We are obsessive about energy conservation. We regularly conduct life-cycle analysis and eco-balancing studies on new processes before implementation. We invest heavily in environmental best practices and in disseminating them throughout our network.

In a few moments you will see a brief video covering some of the specific activities that we have underway. In many ways, however, I think what I am most proud of is a point *not* made in the film: that the commitment to sustainable development that we made almost 10 years ago has now become imbedded in our culture, and is shared by all of our employees.

Let me conclude.

All industrial activities entail environmental challenges; that is the nature of the transformation process. I have seen energy and ecology efficient factories, but I have never seen a green factory.

Our task as businessmen is to search constantly for more creative and innovative ways to manage our industrial activities in order to minimize both the short and long run impact on the environment.

We can also, individually and collectively, work to renew resources, to raise the environmental awareness of our communities and of our employees, and to provide incentives in favor of conservation.

This is not a goal—it is a permanent process, and one that is essential to all our well being.

The good news is that it is also good business. I think that everyone here today shares this understanding and I am pleased that it is one of the underpinnings of very valuable work of the World Environment Center.

Once again, thank you.