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Limited Verification Letter of Key Sustainability Performance Indicators (Non financial Information)

To the Board of Directors of CEMEX, S.A.B. de C.V.

We have reviewed the non-financial information related to the Key Sustainability Performance Indicators presented in the 2016 Report "*Integrated Strategy for a Better Future*" (hereinafter "the Report") of CEMEX, S.A.B de C.V. (hereinafter "CEMEX") from January 1st through December 31st, 2016.

Our work has been carried out according to the established for a Limited Verification, according to the guidelines of ISAE 3000 *International Standard on Assurance Engagements*, issued by the *International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC)*, and in accordance with the AA1000 Sustainability Assurance Standard (*Accountability Principle Standard, 2008*). Among other issues, these standards require that:

- The team that carries out the work have specific knowledge, abilities and professional skills necessary to understand and review the information included in the Report and that its components comply with the requirements of the International Federation of Accountants (IFAC) Code of Professional Ethics, ensuring independence.
- When a limited verification of the information is performed, sufficient evidence is available in the documentation and systems of the company that support the statements made.

The purpose of the verification was to verify that the CEMEX information contained in the Report complied with the criteria established by the "Cement Sustainability Initiative" (CSI) standards of the "World Business Council for Sustainable Development" (WBCSD). The criteria considered were as follows:

- *The Cement CO₂ and Energy Protocol: CO₂ and Energy Accounting and Reporting Standard for the Cement Industry*
- *Safety in the Cement Industry: Guidelines for measuring and reporting (version 4.0)*
- *Guidelines for Emissions Monitoring and Reporting in the Cement Industry (version 2.0)*

As well as with the criteria established by CEMEX internal procedure called *Environmental Incident Reporting Procedure*.

CEMEX Responsibility

CEMEX, through the Corporate Sustainability Direction, is responsible for preparing and presenting the Report in accordance with the above mentioned WBCSD-CSI protocols; Of the information and statements contained there; The definition of scope, selection and presentation of information; And the establishment and implementation of data collection processes.



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Our Responsibility

Our responsibility is to carry out a limited verification on the key performance indicators defined by CEMEX and based on the work done, to issue a Limited Verification Letter exclusively on these indicators (non-financial information) included in the 2016 Report.

Our work

Our work has been performed in accordance with the ISAE 3000 Standard and in accordance with the AA1000 AS (2008) Sustainability Assurance Standard.

These standards require that we plan and perform our work in such a way that we obtain limited assurance as to whether the Report is free from material misstatement and that we comply with the ethical and independence requirements set forth in the Code of Ethics of the *International Ethics Standards Board for Accountants*.

The scope of evidence-gathering procedures performed in a limited verification work is less than reasonable security work and thus also the level of security it provides. This report cannot in any case be understood as an audit report.

Verification scope

Our work performed consist in visiting five cement plants located in each of the regions where CEMEX operates. These accounted for 20% of CEMEX total CO₂ emissions for scope 1 and 2 and 25% of total dust, NO_x and SO_x emissions.

The verified indicators for each of the locations were as follows:

- Scope 1 and 2 of CO₂ emissions according to *The Cement CO₂ and Energy Protocol: CO₂ and Energy Accounting and Reporting Standard for the Cement Industry* of the WBCSD-CSI, presenting:
 - *Absolute gross and net CO₂ emissions*
 - *Specific gross and net CO₂ emissions*
 - *Total indirect CO₂ emissions*

- Health and safety indicators according to *Safety in the Cement Industry: Guidelines for measuring and reporting* (version 4.0) of the WBCSD-CSI, presenting:
 - *Number of fatalities for employees, contractors and third parties*
 - *Fatality rate for employees*
 - *Number of Lost Time Injuries for employees and contractors*
 - *Lost Time Injury Rate for employees and contractors*
 - *Lost Time Injury Severity Rate for employees*



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- Indicators of other emissions according to *Guidelines for Emissions Monitoring and Reporting in the Cement Industry* (version 2.0) of the WBCSD-CSI, presenting:
 - *Overall coverage rate*
 - *Coverage rate of continuous emissions monitoring.*
 - *Absolute and specific Dust emissions*
 - *Absolute and specific NO_x emissions*
 - *Absolute and specific SO_x emissions*

- Number of Environmental Incidents Category 1 and 2 as defined in the internal procedure of CEMEX called *Environmental Incident Reporting Procedure*.

We have applied the following procedures to collect evidence for the development of our work, as well as to verify the consistency of information from the systems and / or internal documentation provided by the CEMEX team in each facility:

- Interviews with relevant staff on the implementation of sustainability policies and strategy.
- Identification of collection and internal control processes related to the quantitative data reflected in the Report.
- Application of evidence on information submitted on the basis of a limited assurance, in order to assess the reliability of the data and the information managed on the site.
- Identification of communication mechanisms and participation, by CEMEX, with its different stakeholders
- Application of tests over the consistency of the information coming from the systems and internal documentation.

Conclusion

Based on the procedures performed and previously described, there has been no evidence of any indication that the data compiled in CEMEX Report 2016, for the period covered January 1st to December 31st, 2016, have not been obtained based on reliable process, that the information is not adequately presented, or that significant deviations or omissions exist.

KPMG, Cárdenas Dosal, S.C.

Jesús González Arellano
Partner (Advisory)

Mexico City
March 22th, 2017