



Building the future.™

Environmental, Health and Safety 2001 Progress Report



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CEMEX WORLDWIDE

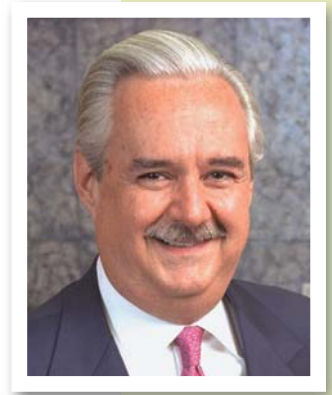
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CEMEX Today

CEMEX is a leading global producer and marketer of cement and ready-mix products, with operations concentrated in the world's most dynamic cement markets across four continents. CEMEX combines a deep knowledge of the local markets with its global network and information technology systems to provide world-class products and services to its customers, from individual home builders to large industrial contractors. For more information, visit www.cemex.com.

Chairman's Message



Lorenzo H. Zambrano
Chairman of the Board and
Chief Executive Officer

Our commitment to environmental and social responsibility is an integral part of our company philosophy. For this reason, we are very proud of the distinction of being a recipient of the Gold Medal Award from the World Environment Center, which is granted to multinational manufacturing companies with outstanding performance in Environmental, Health and Safety programs.

The award also provides great satisfaction for all the people who work at CEMEX, because it is a significant confirmation of the advancement and dedication we have given to the programs and projects developed in this area.

We recognize that there are still things to do and understand the need for a renewed sense of commitment and responsibility toward sustainable development.

It's important to mention that once again we have also made improvements in our safety performance by reducing the consolidated accident rate by 23% compared to last year's operation, and continue to come closer to our initial goal of less than 1%. Furthermore, we believe that emphasizing preventive health care is a means to maintain productivity and strengthen the quality of life among our employees.

The results of the study "Toward a Sustainable Cement Industry," in which we participated jointly with the World Business Council for Sustainable Development and other multinational cement companies, presents recommendations for meeting future challenges in sustainability to work on environmental, social and economic issues.

In this progress report, we present several of the main actions we have achieved, which would not have been possible without the enthusiastic participation of our people, and their focused commitment toward our mission to be the most efficient, profitable, and safest multinational cement company in the world.

This was a year of noteworthy achievements in safety. We reduced the accident rate by 23%, lowering this indicator from 2.20% in 2000 to 1.70% in 2001. This achievement resulted from the efforts of all personnel, working in different business units in CEMEX's worldwide operations, using and improving our safety management system. The involvement of top- and middle-level managers during this process has strongly encouraged risk prevention and better health practices among our personnel, resulting in fundamental value appreciation for the business.



FM Global, one of the most recognized property insurance companies worldwide, presented to CEMEX its award for outstanding accomplishment in property loss prevention, resulting in a lowering of our risk rating from 1997 to 2001.

Safety



CEMEX Safety Awards

CEMEX Safety Awards

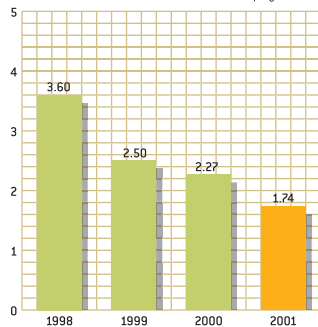
The second annual CEMEX Safety Awards were presented in March 2001 for outstanding safety performance in the year 2000. The Lloseta plant in Spain received the honor for cement plants, and Colombia's cluster operations took the award for the concrete sector. In addition, special recognition was given to nine business units that achieved the goal of zero accidents in 2000.



Winners of the 2000 Cemex Safety Award with our CEO

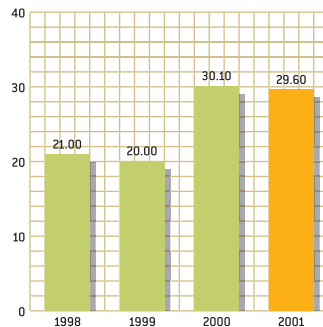
Accident Rate:
Down 23% from 2000 to 2001

Accident Rate% = Lost-time accidents/100 employees



Average Severity Rate

Days Lost Per Accident



Safety in 2001:

- 8 cement plants and 11 regional concrete clusters were accident-free.
- 40% of our more than 25,500 employees work in business units that achieved our initial goal of less than 1% accident rate.
- A program for driver qualification in our concrete operations resulted in a reduction in the number of accidents in this part of the business by 38%.

Twelve monthly safety themes, such as first aid, emergency preparedness, and fire prevention, were established and supported with posters, videos, talks on safety, and other activities.



Health

Positive Indicators of Health

This pilot program started with a group of corporate employees, and identifies indicators that help track a person's physical health over time. The program evaluates an employee's level of exercise, flexibility, body mass index, weight control, and maximum oxygen consumption. It also provides information on how to improve these indicators through diet habits and exercise. Results have been favorable, and the intent is to expand this program to other departments.

Women's Integral Development Program

We established this program in 1998 to assist female employees, as well as the wives of employees and executives, in maintaining a balance between work and family. The underlying objective is to promote a balanced CEMEX and family relationship. Eleven conferences were held throughout 2001, with topics designed to help women with everything from personal development to handling finances. An average of 120 women attended each conference.

Stress Control Program

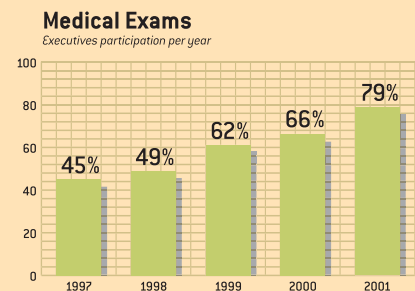
In order to lessen the negative effects of the symptoms of stress (such as reduced productivity and consequently employee quality of life), the CEMEX Stress Control program was designed to diagnose stress levels of employees through an online test tool that would provide information and alternatives to help them manage and control stress. This year, the program included Mexico, Panama, and operations in the Philippines and the Dominican Republic. In 2001 we had a 100% increase in the number of people who participated in the program.



All Mexico physicians have obtained their certification from the Mexican Council for Occupational Medicine.

Medical Checkup

One of the most important aspects of our health prevention and care programs is a periodical medical checkup. Preventive illnesses diagnosis and prompt treatment have increased significantly our employees' quality of life.



Vaccination Campaign Program

Through our Permanent Vaccination Campaign program, we have emphasized prevention as the best means to good health and increasing the productivity level of our human resources. In 2001, we provided 5,560 vaccine doses to employees in various CEMEX locations around the world. The vaccines are given to prevent illnesses such as hepatitis A and B, tetanus, rubella, flu, and yellow fever.





The World Environment Center Gold Medal

CEMEX is highly honored to receive the World Environment Center Gold Medal Award, granted to international manufacturing companies with outstanding performance in environmental, health and safety areas. This honor places CEMEX as the latest on a list of 18 well-known, multinational companies, including the most recent winners: Royal Dutch/Shell Group, International Paper Company, Eastman Kodak Company, and Philips Electronics N.V.

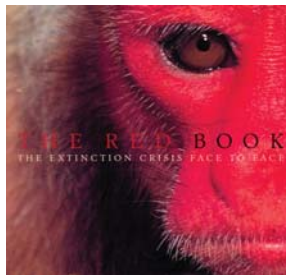
Nature's Best & CEMEX International Photography Awards

Through the concept "We take care of those things we know," CEMEX engages in different nature conservation efforts. One of them is to motivate the community to visit and enjoy natural surroundings by depicting the beauty of nature and stressing the need for environmental stewardship. In 1998, CEMEX joined with *Nature's Best* magazine to award prizes for the best nature photography, with a specific emphasis on the care of wildlife and their habitats. In 2001, photographers around the world submitted more than 15,000 visual images, and the annual award ceremony was held at the Smithsonian Museum of Natural History in Washington, DC, in October.



Grand prize winner: Doc White, Blue Whale

The Red Book



At the Canadian Museum of Nature in Ottawa, Canada, the 9th in a series of ecological books was presented by CEMEX in December 2001. *The Red Book: The Extinction Crisis Face to Face*, was produced this year in partnership with The World Conservation Union (IUCN), the largest international wildlife conservation network, and Agrupación Sierra Madre, a leading Mexican wildlife conservation organization. The book describes the species extinction process and the measures needed to reverse it.

The “El Carmen” Project

The El Carmen Project, a CEMEX conservation initiative along the Mexico-United States border, took another major step forward in 2001 with the release of 28 additional desert bighorn sheep into a specially designed breeding facility. It is expected that in five years the sheep will reproduce sufficiently to re-establish their species in original natural habitats.



Fifth Multinational Meeting, Mexico City



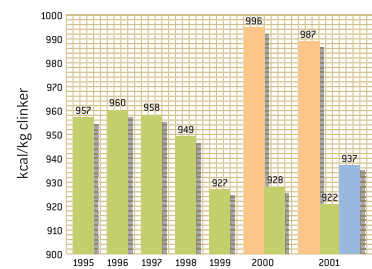
Mexico City was the site for CEMEX's Fifth International Environmental, Health and Safety (EHS) Multinational Meeting. This year's three-day session, held in October, permitted EHS country coordinators to share experiences and knowledge, align internal goals and action plans, and accomplish synergies among all CEMEX operations.

CEMEX Ecoefficiency Program

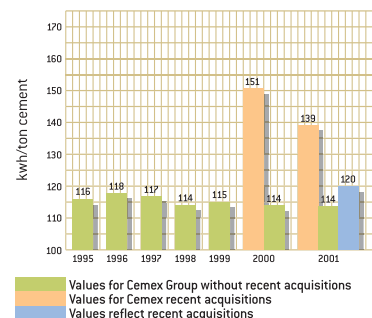
This program, formally launched in 1994, continues to report important advances made during this year, with significant reductions in environmental impact as well as economic savings. Listed below are the most important economic savings realized in 2001.

	Millions of USD
Optimized use of energy:	\$ 3.62
Optimized use of materials and natural resources (including water):	\$ 5.40
Use of alternative fuels and wastes:	\$ 4.60
Reduction of emissions and wastes:	\$ 1.44
Office paper recycling:	\$ 0.04
Total:	\$ 15.10

Thermal Energy Consumption



Electrical Energy Consumption



During 2001, consumption of electrical energy was reduced by 8.6%, and thermal energy consumption by 1%, in CEMEX's most recent acquisitions.

North America



Mexico

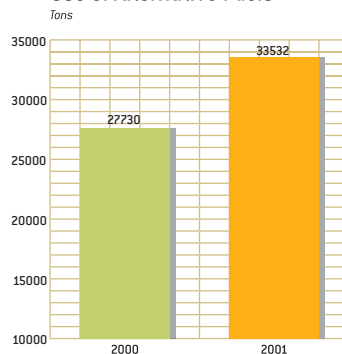
Safety achievements continued in Mexico, as the country accomplished a 33% decrease in the total accident rate, from 2.52% in 2000 to 1.68% in 2001. A highlight for the year was the Mexican government's recognition of the Huichapan plant with the National Award of Safety and Hygiene in the Workplace for all Mexican industry.



National Award of Safety and Hygiene in the Workplace



Use of Alternative Fuels



Environmental Achievements

CEMEX Mexico was recognized by the National Environmental Authority (SEMARNAT) as the first industrial group to gain Clean Industry Certification for all of its plants. Additionally, the use of alternative fuels increased by 21% to 33,532 annual tons, increasing the benefit of proper disposal of waste materials and the use of them as a source of energy.

United States

Alternative Fuel at Knoxville Plant



In Knoxville, Tennessee, a new, highly automated system has been installed to enhance the plant's program to create energy for the cement manufacturing process, by employing used tires as a supplemental fuel. The new system is safer and more efficient. To date, 11,350 tons of tires have been recovered and used as fuel since the program began in 1998. The Knoxville facility also provided topsoil and rock from its quarry to help the community transform an abandoned parking area near a stream into a park and nature observation area. The plant also helped with regulatory issues involving the restoration of a nearby stream, and



supported the "Kids in the Creek" program, in which middle school students cleaned the area alongside the stream.



The Lyons, Colorado plant has planted trees and other native vegetation to preserve a natural environment.

Regarding health and safety, the Cemex US operations combined lost-time accident rates declined 23%, from 3.2% in 2000 to 2.7% for the year ending 2001. Seventy-one individual facilities completed the year without a single lost-time accident, including the cement manufacturing plants located in Brooksville, Florida and Clinchfield, Georgia. This achievement at the Clinchfield plant marked the seventh consecutive year without a lost-time accident.



Europe, Africa and Asia



Spain

CEMEX Spain is a member of the Spanish cement industry organization OFICEMEN. In 2001, it signed a voluntary agreement with the National Environment Ministry. The agreement calls for the cement companies to apply improved techniques by 2005 to control emissions of particles, carbon dioxide (CO_2), nitrogen oxide (NO_x), and sulphur dioxide (SO_2). The Alicante and Lloseta plants have implemented special techniques that have achieved a reduction in emissions to a level even below that mandated by regulations.

CEMEX Spain reduced its accident rate from 2.70% to 2.27%. Two cement plants – Alcanar and Villanova – went through the entire year without an accident. In a new training initiative, 400 intermediate managers in CEMEX Spain completed a 50-hour video course on industrial safety.



Bangladesh

The construction of a new cement mill was completed and began operation this year in Bangladesh. The CEMEX Environmental, Health and Safety Management System has been implemented since startup.





Philippines



APO Cement received the Presidential Mineral Industry Environmental Award, the highest honor given to mining companies for environmental achievements and social responsibility. Solid Cement received a plaque of appreciation from the Philippines National Red Cross for supporting its humanitarian efforts, which included a partnership with local government units to sponsor medical and dental missions that

served more than 2,700 residents in Naga, Cebu and San Jose, Antipolo City.

On the safety front, the CEMEX Philippines accident rate declined from 0.74% in 2000 to 0.63% in 2001.

Ecoefficiency efforts include the installation of a cleaning system in APO Cement's bagging operation and mills. APO Concrete also installed dust collectors, and a wastewater and raw materials recovery system.

Egypt

CEMEX Egypt administered a program of physical examinations for employees in order to provide prevention and early detection of medical problems. Also, CEMEX provided medical assistance to families of employees. On the safety front, the accident rate for the year was 0.24%, representing a reduction of 80% compared to 2000.



In 2001, CEMEX completed an acquisition of a cement company in Thailand. As is our usual practice when acquiring a new plant or facility, we immediately initiated our operative and administrative practices. The Environmental, Health and Safety Management System has already been implemented.

South America & the Caribbean

Venezuela



The accident rate for Venezuela in 2001 showed a 23% decrease in the total accident rate, from 0.83% in 2000 to 0.64% in 2001.

Annual reforestation efforts continued, as four hectares of land were planted in the quarries of Pertigalete, La Cañada, and Isla de Toas. To date, 31 hectares have been planted since 1998.

The engineering for the Oily Water Treatment System for the plants of Pertigalete, Mara and Guayana was finished and construction will start in 2002. This will allow the reuse of water in the operation of the mills. Construction of these projects is expected to save 2,800 cubic meters of water per year.

Colombia

In Colombia, the accident rate in 2001 decreased 32%, from 3.00% in 2000 to 2.04% in 2001.

A special project with the government at the Caracolito plant established 50 hectares of land near the mining operation as a forest conservation area. This area will help to protect the water supply for the 3,500 residents in the community of Payande de San Luis.

Ecoefficiency efforts on fuels at Caracolito resulted in replacing 50% of the fuel in kiln #2 with coal fines. Waste oils are stored in a holding tank and will be used as a mixed fuel for the kiln in 2002.



Panama

CEMEX's Panamanian cement operations showed great success; employees completed 365 days without a single accident. Also, the company received special recognition from Panama's firefighters for helping to prepare and train their emergency brigade.

Important improvements in wastewater recycling include the installation of a new hydrocyclone technology to recycle wastewater from the aggregates plant operation. The technology allows water to be reused in the process, saving approximately 7,500 cubic meters of water per month.



The Dominican Republic

Dominican Republic operations emphasized safety, lowering significantly the accident rate by 47% over the previous year, from 4.97% to 2.59%.

The Instituto Dominicano de Seguros Sociales, working jointly with CEMEX, registered the health records of employees in the cement,

concrete and gypsum operations. This will allow future monitoring of their health, supplemented by annual checkups.

In order to re-establish rocky quarry floors into green areas, one hectare of quarry areas was reforested. Also, one hectare of mahogany trees was planted at the cement facility.



Costa Rica

Technology is playing a key role in Costa Rica, making operations safer, more efficient, and more



environmentally friendly. A new system allows pet-coke to be substituted for traditional fuel oil in the production of clinker (which will soon be increased by 50%), because it is safer to handle than fuel oil, and is less expensive as well. Another project is exploring ways, with government permission, to eventually use tires, plastics, and discarded coffee beans as alternative fuels. This will reduce the quantity of wastes generated by other industries.

Many activities were directed toward assuring the health of employees, including a series of medical examinations, eye exams, and a vaccination campaign for tetanus, measles and rubella. In safety, CEMEX Costa Rica achieved a 25% reduction in the accident rate, from 5.60% in 2000 to 4.26% in 2001.

A project has started that will collect waste lubricants from heavy equipment and from an electrical substation, then blend it with bunker oil to use in the kiln combustion process. This will eliminate waste disposal.

CEMEX Nicaragua participates actively in three environmental commissions that are part of the Environmental Committee of the municipality of San Rafael. This participation provides information for members of the community and helped the municipality design its environmental plan. The Environmental, Health and Safety Management System was also implemented.

Nicaragua



Toward a Sustainable Cement Industry



World Business Council for Sustainable Development

As a member of the World Business Council for Sustainable Development (WBCSD), CEMEX is one of ten multinational cement companies that participate in a project to explore ways for the cement industry to evolve to meet the need for global sustainable development while enhancing shareholder value.

This report entitled “Toward a Sustainable Cement Industry,” describes the different aspects of the cement industry, and offers a recommended set of performance goals and a vision of sustainability for 2020. These issue-focused recommendations are as follows:

Resource Productivity: Increase industrial ecology and eco-efficiency in the cement industry.

Climate Protection: Establish corporate carbon management programs, set company-specific and industry-wide medium-term carbon dioxide reduction targets, and initiate long-term process and product innovation.

Emission Reduction: Continuously improve and make more widespread use of emission control techniques.

Ecological Stewardship: Improve land-use practices by disseminating and applying best practices for plant and quarry management.

Employee Well-Being: Implement programs to enhance worker health, safety and satisfaction.

Community Well-Being: Contribute to enhancing quality of life through local stakeholder dialogue and community assistance programs.

Regional Development: Promote regional economic growth and stability, especially in developing countries.

Business Integration of SD: Integrate SD principles into business strategy and practices in order to increase shareholder value.

Innovation: Encourage SD-related innovations in product development, process technology, and enterprise management.

Cooperation: Work with other cement companies and external organizations to foster SD practices and remove barriers.

Results from this report will be presented in April 2002. By July, specific answers to the report will be presented from the companies participating in this project.

COLOMBIA

Environment

Miguel Angel Cortés Diaz
Planta Caracolito
Km 3.5 Via Buenos Aires Payande
Ibagué – Departamento del Tolima,
Colombia
Phone: 578.264.2814, Ext. 49097
Fax: 578.264.9111, Ext. 49097
Email: macortes@cemex.com.co

Health and Safety

Gabriel Martínez Ortega
Planta Caracolito
Km 3.5 Via Buenos Aires Payande
Ibagué – Departamento del Tolima,
Colombia
Phone: 578.264.2814, Ext. 49049
Fax: 578.264.9111, Ext. 49049
Email: gamartinez@cemex.com.co

CORPORATE COMMUNICATION

Gregorio Martínez
Av. Gómez Morín 350
Piso 7o C.P. 66265
Garza García, N.L., México
Phone: 5281.8152.2744, 152.2700,
Ext. 2744
Fax: 5281.8152.2749
Email: gregorio@cemex.com

CORPORATE EHS

Environment, Health and Safety

Miguel A. González
Av. Independencia 901-A Ote.
Col. Cementos C.P. 64520
Monterrey, N.L., México 64520
Phone: 5281.8305.1882, 8305.1802
Fax: 5281.8351.8350
Email: mags@cemex.com

CORPORATE HUMAN RESOURCES

Sergio Serrano Velázquez
Av. Constitución 444 Pte.
Monterrey, N.L., México 64000
Phone: 5281.8328.3387
Fax: 5281.8328.3812
Email: sserrano@cemex.com

CORPORATE RISK MANAGEMENT

René Alejandro Martínez Flores
Av. Constitución 444 Pte., Piso 5o.
Monterrey, N.L., México 64000
Phone: 5281.8328.3121
Fax: 5281.8328.3186
Email: rmartiz@cemex.com

CORPORATE SECURITY

Ignacio de la Garza Paez
Av. Constitución 444 Pte.
Monterrey, NL, México 64000
Phone: 5281.8328.3101
Fax: 5281.8328.3186
Email: idelagarza@cemex.com

COSTA RICA

Environment

Roberto Arriaga Omacell
Cementos del Pacífico, S.A.
Colorado de Abangares, Guanacaste
San José, Costa Rica 6558-1000
Phone: 506.678.0215, Ext. 1409
Fax: 506.678.0033
Email: rariagao@cemex.co.cr

Health and Safety

Amed Muñoz Loria
Cementos del Pacífico, S.A.
Guatuso de Patarra, Desamparados
San José, Costa Rica 6558-1000
Phone: 506.678.0215, Ext. 1060
Fax: 506.678.0033
Email: amunozlo@cemex.co.cr

DOMINICAN REPUBLIC

Environment, Health and Safety

Yuri Alberto Durán Rodríguez
Carretera Mella Km 10 San Pedro Macoris
Santo Domingo, República Dominicana
Phone: 809.529.3355, Ext. 4031
Fax: 809.529.9107
Email: ydurand@cemex.com

EGYPT

Health and Safety

Mohamed Shaker Mohamed Salh
18 El Wadi Road
Assiut, Egypt
Phone: + 2.088.424200, Ext. 4429
Fax: + 2.088.361573
Email: mohamed.shaker@cemex.com.eg

Environment

Mohamed Shaker Mohamed Salh
18 El Wadi Road
Assiut, Egypt
Phone: + 2.088.424347
Fax: + 2.088.361573
Email: mohamed.shaker@cemex.com.eg

MEXICO

Environment

Luis Carranza García
Av. Independencia 1150 Ote. C.P. 64520
Col. Cementos, Monterrey, N.L., México
Monterrey, N.L., México 64520
Phone: 5281.8305.1689
Fax: 5281.8305.1636
Email: lcarranz@cemex.com

Health and Safety

Juan Gerardo Pérez Hernandez
Av. Constitución 444 Pte.
Monterrey, N. L. México 64000
Phone: 5281.8328.2597
Fax: 5281.8328.3890
Email: juangperez@cemex.com

NICARAGUA

Environment

Iván Martín Montenegro Castillo
Cemex San Rafael del Sur Nicaragua
Phone: 505.266.2217
Fax: 505.266.0643
Email:
IvanMartin.Montenegro@cemex.com

Health and Safety

Luis Manuel Gutiérrez Córdoba
Cemex San Rafael del Sur
Nicaragua
Phone: 505.266.2217
Fax: 505.266.0643

PANAMA

Environment, Health and Safety

John Sinclair
Edificio Plaza Panamá Calle 50, Piso 28
Panamá, República de Panamá
Phone: 507.278.8700, 278.8933
Fax: 507.278.8935
Email: jsinclair@cemex.com.pa

PHILIPPINES

Environment

Celestino Garces De Leon, Jr.
Technical Department
25th Floor, Petron Mega Plaza
358 Sen. Gil Puyat Avenue
Makati City, Philippines 1200
Phone: 632.849.3667
Fax: 632.849.3679, 650.4145
Email: cdeleon@cemex.com.ph

Health and Safety

Fernando Mayor Magno
Sitio Tagbac, San Jose, Antipolo City
Philippines
Phone: 632.630.6267
Fax: 632.630.6267
Email: fmagno@cemex.com.ph

SPAIN

Environment

Javier Merle
Paseo de la Habana 15 – 1a
Madrid, España 28036
Phone: 3491.432.6207
Fax: 3491.432.6187
Email: jmerle@valcem.es

Health and Safety

Javier Mota Martínez
Hernández de Tejada #1
Madrid, España 28027
Phone: 3491.377.9309
Fax: 3491.377.9300
Email: jamotar@valcem.es

THAILAND

Health and Safety

Jarin Suphiran
48/ 1 M.5, Highway No. 21
Na Phra Lan, Chalerm Phrakiat
Saraburi Province 18240
Phone: 66.036.21 8000

TRADING

José Ignacio Guerra
Av. Constitución 444 Pte. Piso 3o Sur
Monterrey, N.L., México 64000
Phone: 5281.8328.3810
Fax: 5281.8328.3145
Email: jguerra@cemex.com

UNITED STATES

Environment

Daniel Heintz
1200 Smith Street, Suite 2400
Houston, Texas, USA 77002
Phone: 713.653.6956
Fax: 713.653.8567
Email: dheintz@cemexusa.com

Health and Safety

Kevin Keegan
1200 Smith Street, Suite 2500
Houston, Texas, USA 77002
Phone: 713.653.8531
Fax: 713.653.6815
Email: kkeegan@cemexusa.com

VENEZUELA

Environment

Ninoska Cilento
Carretera Guanta-Cumaná Km. 7,
Sector Pertigalete
Municipio Guanta, Estado Anzoátegui
Venezuela
Phone: 58281.264.7105, 264.7102
Fax: 58281.264.7103
Email: ninoska.cilento@cemex.com.ve

Health and Safety

Enzo González
Carretera Guanta-Cumaná Km. 7,
Sector Pertigalete
Municipio Guanta, Estado Anzoátegui
Venezuela
Phone: 58281.264.7033, 264.7034
Fax: 58281.264.7032
Email: egonzalez@cemex.com.ve



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You can find this report and additional information
about CEMEX by visiting our website:

www.cemex.com

Please send comments, questions, or requests for additional
copies of this report, in Spanish or in English, to:

CORPORATE EHS

Av. Independencia 901-A Ote. Col. Cementos
Monterrey, N.L., México 64520
Phone: 5281.8305.1310, 8305.1500, Ext. 1310
Fax: 5281.8351.8350
Email: lizeth@cemex.com

CORPORATE COMMUNICATION

Av. Gómez Morín 350. Piso 7o.
Garza García, N.L., México 66265
Phone: 5281.8152.2744, 8152.2700, Ext. 2744
Fax: 5281.8152.2749
Email: gregorio@cemex.com



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Soy-based ink was also used in its production.