

MINUTES OF THE ANNUAL MEETING OF STOCKHOLDERS
OF
CEMEX HOLDINGS PHILIPPINES, INC.
(the “Corporation”)

Conducted online through a video conference facility at <https://cemex.zoom.us/j/86136696730>
2 June 2021 at 3:00PM

DIRECTORS PRESENT:

1. Sergio Mauricio Menéndez Medina - Chairman of the Board of Directors
2. Pedro Roxas – Lead Independent Director
3. Alfredo S. Panlilio – Independent Director
4. Eleanor M. Hilado - Independent Director
5. Ignacio Alejandro Mijares Elizondo – Director; President and Chief Executive Officer
6. Alejandro Garcia Cogollos – Director; Vice President for Planning and Administration
7. Antonio Ivan Sanchez Ugarte - Director
8. Maria Garcia Villan – Director

ALSO PRESENT:

Jannette Virata Sevilla – Corporate Secretary & Compliance Officer

INTRODUCTION

Mr. Pierre Ignatius C. Co., Investor Relations Director, acted as moderator of the proceedings. After the Philippine National Anthem was played, he introduced the incumbent members of the Board of Directors of CEMEX HOLDINGS PHILIPPINES, INC. (the “Corporation” or “CHP”) who were all in attendance and the other principal executive officers of CHP who were present:

1. Steve Wu - Treasurer & CFO and Director, Business Services Organization
2. Irma D. Aure – Vice President for Human Capital and Organization
3. Roberto Martin Z. Javier - Vice President for Commercial (Institutional Segment)
4. Edwin P. Hufemia - Vice President for Supply Chain
5. Everardo Sanchez Banuet – Vice President for Commercial (Distribution Segment)
6. Maria Virginia Lacson-del Rosario – Director, Customer Experience
7. Rolando Valentino - Internal Auditor
8. Juan Carlos Soto Carbajal – Director, Procurement Director
9. Jose Mauro Gallardo Valdes – Director, Enterprise Risk Management
10. Erlinda C. Lizardo – Director, Communications
11. Dino Martin W. Segundo – Legal Director and Assistant Corporate Secretary
12. Jannette Virata Sevilla – Corporate Secretary and Compliance Officer

Mr. Co also acknowledged the presence of representatives of the external auditor of CHP, R.G. Manabat & Co., namely, Ms. Sharon Dayoan, Ms. Emerald Bagnes and Mr. Enrico E. Baluyut

Thereafter, the Chairman of the Board of Directors, Mr. Sergio Menéndez, delivered his opening remarks:

Fellow shareholders, our Board of Directors, management and staff, guests, good afternoon and welcome to the 2021 Annual Meeting of Stockholders of CEMEX Holdings Philippines.

On behalf of CHP’s Board of Directors and Management, allow me to express our sincerest gratitude to all of you for joining us in this year’s meeting, especially during these difficult times.

I wish to extend our deepest sympathies to all those who have lost their loved ones and have been impacted by this pandemic. Our prayers are with all of you, and I am confident that we will soon overcome this pandemic.

For CEMEX, the past year under the COVID-19 pandemic has been a period where we witnessed the resilience of our company. Despite the challenges, CEMEX upheld with utmost priority the health and safety of all its stakeholders, continued to provide value to its customers, and operated in a sustainable way. This was possible thanks to the hard work and commitment of the men and women in CEMEX Philippines. I want to recognize their effort in driving our mission to build a better and sustainable future.

As I talk about sustainability, I highlight our company's solid commitment to advance our vision of a carbon-neutral economy. In 2020, CEMEX took a bold step and committed to an intermediate target of reducing net specific CO₂ emissions by 35% compared to its 1990 baseline. Climate change has been for many years, and will continue to be, a priority of CEMEX. We have been working to achieve this goal through many different strategies including investing in energy efficiency, use of alternative fuels, expanding our use of clean energy, and reducing clinker factor. Additionally, CEMEX established a new ambition to deliver net-zero CO₂ concrete globally by 2050. We have confidence in our ability to achieve this, particularly our 2030 target by relying on proven technologies and a detailed roadmap for every cement plant.

I am pleased to share the recent recognition of CEMEX Philippines during the CEMEX Global Awards, which was held virtually in April this year. The event is CEMEX's way of recognizing the efforts of individuals and teams in the organization's global network, which have excelled in achieving our strategic priorities. CEMEX Philippines received a total of ten (10) awards under the priorities of Customer Centricity, Health and Safety, and Sustainability. Our President and CEO, Ignacio Mijares, will talk more about these achievements. These awards are a testament of the contributions of CEMEX Philippines in the over-all success and growth of CEMEX as a global company.

It has been nothing short of amazing to see all our achievements even during this difficult time. With 2021 being the second year of the COVID-19 Pandemic, we will continue to navigate our company with the objective of conquering this present challenge. As vaccines roll-out in many countries across the globe, we see hope for global economic recovery.

For CEMEX Holdings Philippines, we continue with the construction of the new line of Solid Cement Plant, representing our commitment to supporting the country's growth. Rest assured that our focus on efficient and sustainable operations, our drive to provide superior customer experience, and our determination to uphold health and safety, will remain at its highest level.

We will continue to work hard towards a stronger and more resilient CEMEX Holdings Philippines.

We wish to thank you, our dear shareholders, for your trust in the company, for your support, and in helping us build a better future.

Once again, good afternoon, stay safe, and a pleasant day to all.

1. CALL TO ORDER

In accordance with the Amended By-Laws of the Corporation, Mr. Ignacio Mijares, CHP's President & CEO, presided over the meeting and acted as *Chairman* of the meeting (the "*Meeting Chairman*"). After his brief welcome message, Mr. Mijares called the meeting to order and requested the Corporate Secretary to report on the service of notice and existence of quorum for the meeting.

2. CERTIFICATION OF NOTICE AND QUORUM

The Corporate Secretary certified that the that Notice of the Annual Meeting of Stockholders together with materials relevant for the meeting such as the Information Statement with the Management Report and the 2020 Annual Report/SEC Form 17-A were distributed through the following methods: (1) the Notice of the Annual Meeting of Stockholders with the Procedure for Participating in the Meeting and For Voting Through Remote Communication or in Absentia ("*Notice of Meeting*") was published in the Business World and The Manila Times, in both online and print formats, on the 11th and 12th of May 2021, (2) the Notice of Meeting, the Information Statement with Management Report, the 2020 Annual Report/SEC Form 17-A and the other relevant materials were posted at the PSE Edge disclosure portal, and (3) these same documents were uploaded to and remain on CHP's website. She stated that the methods observed by the Corporation were in compliance with the Notice of the Securities and Exchange Commission (the "*SEC*") dated March 16, 2021, which was issued by the SEC in order to provide publicly-listed companies an alternative mode of complying with the requirements for the distribution of notices and materials for their respective annual meeting to its stockholders.

The Corporate Secretary also underscored the following:

- a) April 30, 2021 was the record date fixed by the Board of Directors for determining stockholders entitled to notice of -- and to vote at -- the annual meeting
- b) Among the various information presented in the Information Statement, the Management Report and the 2020 Annual Report/SEC Form 17-A are discussions on the respective profiles of the members of the Board of Directors, the directors' attendance report and annual compensation report, the appraisal and performance assessments of the directors, relevant director's disclosures on self-dealing and related party transactions, and information on dividends
- c) the Notice of Meeting was distributed or released at least 21 days prior to the meeting date in accordance with the Revised Corporation Code and applicable SEC regulations
- d) For purposes of determination of the meeting quorum, stockholders who registered to participate in this annual meeting on or before May 26, 2021 were considered in the computation of stockholders' attendance.

The Corporate Secretary then certified that stockholders who timely registered for this meeting hold a total of 10,873,643,548 common shares of CHP, representing approximately 80.61% of the total¹ issued and outstanding shares of stock of the Corporation, and are therefore considered as present or represented in this annual meeting.

Based on the certification by the Corporate Secretary on the delivery of notice of meeting and the existence of the quorum, the *Meeting Chairman* declared the meeting duly convened and open for business.

Further to the request of the *Meeting Chairman*, the Corporate Secretary discussed the meeting rules and voting procedure observed for this annual meeting, to wit:

1. Stockholders were informed of the relevant procedure through the *Procedures for Participating in the Meeting and for Voting Through Remote Communication or In Absentia* which was appended to the Notice of Meeting and incorporated as part of the Information Statement distributed to stockholders by the methods earlier described.
2. Stockholders could only cast their votes on any of the matters to be presented during this meeting by way of submitting their voting ballots/proxy forms (by physical delivery or email to the Office of the Corporate Secretary) on or before the prescribed Voting Deadline – May 26, 2021. A sample voting ballot/proxy form was included in the Information Statement and posted at PSE Edge disclosure portal and CHP's website.
3. For the matters to be presented for stockholder's approval, each share entitled the registered stockholder (or his representative) to one vote, except that for the election of directors, a stockholder shall have right to vote up to such number of shares owned by him multiplied by 8.
4. For the purpose of this meeting, the affirmative vote of stockholders (present or represented) holding a majority of the meeting quorum is required in order to pass and approve each of the proposed resolutions, except for the election of directors, in respect of which cumulative voting is allowed.
5. The Corporation engaged the services of R.G. Manabat & Co to review and validate the tabulation of votes performed by the Corporate Secretary based on votes cast for the various agenda items for today's meeting.
6. The final tally of votes and the proposed resolutions will be shown on the screens for each agenda item as the meeting progresses. These resolutions are found in the Explanatory Notes for the Agenda Items appended to the Notice of Meeting and incorporated as part of the Information Statement.
7. Stockholders were requested beforehand to send their questions or comments by email. She advised that stockholders may likewise send their comments and questions through the Q&A chatbox located at the bottom of the screen. Questions will be read out by the Moderator and

¹ The total issued and outstanding shares of stock of the Corporation is 13,489,226,623 common shares

responded to during the Q&A session scheduled at the later part of the meeting after agenda item 8.

8. Questions or comments which could not be taken up during the meeting will be answered or responded to directly by our Investor Relations group.
9. The proceedings of this annual meeting will be recorded.

3. APPROVAL OF THE MINUTE OF THE ANNUAL MEETING OF STOCKHOLDERS HELD IN 2020

The *Meeting Chairman* then proceeded to the next order of business which was the approval of the Minutes of the Annual Meeting of Stockholders held on June 24, 2020.

The Corporate Secretary stated that the preliminary draft of the subject minutes of meeting uploaded and posted on CHP's website within 5 business days from the meeting date, and the minutes were available for inspection by any stockholder at the office of the Corporate Secretary. She noted that a copy of the minutes of the annual meeting presented for stockholders' approval was appended to the Information Statement which was distributed to stockholders for this annual meeting.

Upon motion duly made and seconded, the reading of the subject minutes of meetings was dispensed with, and based on the final tally of votes which was certified by the Corporate Secretary, the *Meeting Chairman* declared that in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of CHP in favor of the approval of the subject minutes of meeting, the following proposed resolution was hereby adopted and approved:

“RESOLVED, that the stockholders of the Corporation hereby approve the Minutes of the Annual Meeting of Stockholders held on June 24, 2020.”

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,870,626,742	80.59%
2. No/Against	0	nil
3. Abstain	1,100	
Total Votes Cast	10,870,627,842	80.59%

4. REPORT OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

For the next item on the agenda, Mr. Mijares presented to the stockholders the President's Report which highlights the operating and financial performance of the Corporation in 2020. A copy of the President's Report is attached as Annex "A" of these minutes.

Following the conclusion of the President's report, the Moderator reminded the stockholders that in the event that there are questions or comments submitted for this annual meeting, the same would be read out and responded to during the Q&A session scheduled at the later part of the meeting after agenda item 8. Questions or comments which could not be taken up during the meeting will be answered or responded to directly by our Investor Relations group.

Accordingly, the President's Report was duly noted, and the meeting proceeded to the next agenda item.

5. APPROVAL OF THE 2020 ANNUAL REPORT AND THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION FOR THE YEAR ENDED 31 DECEMBER 2020

The *Meeting Chairman* proceeded to the next item in the agenda which was the approval of the Corporation's 2020 Annual Report (SEC Form 17-A for 2020) and the audited financial statements of the Corporation for the year ended December 31, 2020.

The Corporation's 2020 Annual Report (SEC Form 17-A for 2020) and audited financial statements of the Corporation for the year ended December 31, 2020 (both consolidated and separate) were attached to the Information Statement which was distributed to stockholders and were posted at the PSE Edge disclosure portal and CHP's website.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Meeting Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of CHP in favor of the approval of the Corporation's 2020 Annual Report (SEC Form 17-A for 2020) and the audited financial statements of the Corporation for the year ended December 31, 2020 (consolidated and separate), the following proposed resolution was hereby adopted and approved:

“RESOLVED, that the 2020 Annual Report and the Audited Financial Statements of the Corporation for the year ended December 31, 2020, be, as the same are hereby, approved.”

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,866,094,122	80.55%
2. No/Against	0	0
3. Abstain	4,532,620	nil
Total Votes Cast	10,870,626,742	80.89%

6. RATIFICATION AND APPROVAL OF ACTS OF THE BOARD OF DIRECTORS AND MANAGEMENT SINCE THE JUNE 24, 2020 ANNUAL MEETING OF STOCKHOLDERS

The *Meeting Chairman* then moved on to the next item in the agenda which was the ratification and approval of the acts of the Board of Directors and Management of the Corporation since the annual stockholders' meeting which was held last June 24, 2020. He noted that these foregoing acts include actions approved during the meetings of the Board of Directors as well as transactions subject of the various disclosures made by the Corporation to the Philippine Securities and Exchange Commission and the Philippine Stock Exchange. A summary of transactions approved by the Board of Directors was provided in the Information Statement, and copies of the minutes of meetings of the Board of Directors were available for inspection by any stockholder at the office of the Corporate Secretary. The *Meeting Chairman* also underscored that the acts of Management refer to those taken to implement the resolutions or directives of the Board of Directors, as well as those entered into or made in the ordinary course of business.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Meeting Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of CHP in favor of the approval, confirmation and ratification of all actions of the Board of Directors and Management taken since the annual meeting of stockholders held on June 24, 2020 until the date of this annual meeting, the following proposed resolution was hereby adopted and approved:

“RESOLVED, that all acts, resolutions, and deeds of the Board of Directors and Management of the Corporation during the period from the Annual Meeting of Stockholders held on June 24, 2020 up to the date of the Annual Meeting of Stockholders, June 2, 2021, be, as they are hereby confirmed, ratified, and approved.”

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,866,095,222	80.55%
2. No/Against	0	0
3. Abstain	4,532,620	nil
Total Votes Cast	10,870,627,842	80.59%

7. ELECTION OF THE MEMBERS OF THE BOARD OF DIRECTORS

The *Meeting Chairman* proceeded to the next item on the agenda which was the election of the members of the Board of Directors who shall serve until the annual meeting of stockholders in 2022 and until their successors are duly elected and qualified. He requested the Chairman of the

Nomination Committee, Mr. Alfredo Panlilio, to describe the screening process for nomination to the Board of Directors and to read the names of the persons who have been nominated.

Mr. Panlilio noted that Corporation's Articles of Incorporation provided for eight (8) seats in the Board of Directors and that in accordance in accordance with Article 3 (E) of the Company's Revised Manual of Corporate Governance, the Period for Nomination for candidates to the Board of Directors was from March 18, 2021 to April 16, 2021. He further confirmed that only one shareholder of the Corporation, i.e., Cemex Asian South East Corporation, submitted its letter of nomination during the Period for Nomination containing its nomination of eight (8) individuals for election to the Board of Directors. The Corporation did not receive any other nomination.

The nominees, who are all the incumbent members of the Board of Directors, are:

1. Pedro Roxas – as independent director
2. Alfredo S. Panlilio - as independent director
3. Eleanor M. Hilado – as independent director
4. Sergio Mauricio Menendez Medina
5. Ignacio Alejandro Mijares Elizondo
6. Alejandro Garcia Cogollos
7. Antonio Ivan Sanchez Ugarte
8. Maria Garcia Villan

Mr. Panlilio informed the stockholders that that the Nomination Committee reviewed the qualifications of the nominees, including the 3 nominees for independent directors, and determined that these nominees are qualified to serve as directors of the Corporation and have none of the disqualifications to serve as such. He reiterated that the profiles of the nominees stating their age, qualifications and work experience are described in the Corporation's Information Statement. In conclusion, Mr. Panlilio stated that all nominees have given their respective consent to their nomination.

The *Meeting Chairman* thanked Mr. Panlilio for his statements on the matter.

Thereafter, a motion was made and duly seconded for the election of the eight (8) nominees as members of the Board of Directors of the Corporation for the ensuing year.

Based on the final tally of votes which was certified by the Corporate Secretary, who confirmed that all nominees garnered votes and that the voting process complied with the cumulative voting principles under the Revised Corporation Code, the *Meeting Chairman* declared the eight nominees duly elected members of the Board of Directors to serve for the ensuing year and until their successors are duly elected and qualified:

NAME OF NOMINEES	No. of Votes Yes/For	No. of Votes No/Against	No. of Votes Abstain
Pedro Roxas	10,861,249,786	9,378,056	0
Alfredo S. Panlilio	10,870,627,842	0	0
Eleanor M. Hilado	10,870,627,842	0	0
Sergio Mauricio Menendez Medina	10,861,248,686	9,378,056	0
Ignacio Alejandro Mijares Elizondo	10,861,248,686	9,378,056	1,100
Alejandro Garcia Cogollos	10,861,248,686	9,378,056	1,100
Antonio Ivan Sanchez Ugarte	10,861,248,686	9,378,056	1,100
Maria Garcia Villan	10,861,248,686	9,378,056	1,100

8. APPOINTMENT OF EXTERNAL AUDITOR OF THE CORPORATION FOR 2021

The *Meeting Chairman* then directed the proceedings to the next proposal to be presented for stockholders' approval pertaining to the appointment of the independent external auditor for fiscal year 2021.

The Corporate Secretary informed the stockholders that the Audit Committee favorably endorsed to the Board of Directors the re-appointment of R.G. Manabat & Co., based on the committee's evaluation of services provided and further to the committee's assessment that the accounting firm's performance has been satisfactory. Taking into account the favorable endorsement of the Audit Committee, the Board of Director recommends the re-appointment of R.G. Manabat & Co. as the Company's independent external auditor for fiscal year 2021. The Corporate Secretary also clarified

that in the event that the stockholders were to approve the re-appointment of R. G. Manabat & Co., Mr. Enrico E. Baluyut would be assigned as the new signing partner to lead the audit of the Corporation's financial statements beginning fiscal year 2021.

Upon motion duly made and seconded, and based on the final tally of votes which was certified by the Corporate Secretary, the *Meeting Chairman* declared that, in view of the affirmative vote of stockholders holding a majority of the total outstanding shares of stock of CHP in favor of the re-appointment of R.G. Manabat & Co. as the Corporation's independent external auditor for the fiscal year 2021, the following proposed resolution was hereby adopted and approved:

“RESOLVED, that the accounting firm of R.G. Manabat & Co., be, as they are hereby, re-appointed as external auditor of the Corporation for the fiscal year 2021.”

The details of the final tally of votes were:

	NUMBER OF VOTES CAST	PERCENTAGE OF TOTAL OUTSTANDING SHARES
1. Yes/Approved	10,870,627,842	80.59%
2. No/Against	0	0
3. Abstain	0	0
Total Votes Cast	10,870,627,842	80.59%

9. OTHER MATTERS

The *Meeting Chairman* asked whether or not there were other matters that should be brought to the attention of the stockholders.

The Moderator informed the *Meeting Chairman* that no other matter, questions or comments were raised or made by stockholders for consideration during this annual meeting. The Moderator extended his invitation to stockholders to direct any queries they might have after this meeting to the CHP's Investor Relations Department at chp.ir@cemex.com.

10. ADJOURNMENT

There being no other matter to discuss, the *Meeting Chairman* entertained a motion to adjourn. Upon motion duly made and seconded, the meeting was adjourned.

CERTIFIED CORRECT:

JANNETTE VIRATA SEVILLA
Secretary of the Meeting

ATTESTED:

IGNACIO ALEJANDRO MIJARES ELIZONDO
(President)
Chairman of the Meeting

PRESIDENT'S REPORT

Hello and good day to everyone.

We hope that you and your families are safe and healthy.

Fellow shareholders, colleagues, friends, ladies and gentlemen, welcome to this year's CEMEX Holdings Philippines Annual Meeting of Stockholders.

We value your time and effort to be with us in this meeting, especially under the extraordinary circumstances of this pandemic.

We will be sharing with you updates of our company for 2020, and we look forward to entertaining your questions

2020 was an unexpectedly challenging and extraordinary year, with COVID-19 affecting every aspect of our lives and disrupting all industries.

Due to the impact of the pandemic, we saw our company's revenues fall by 16 percent year-over-year to ₱19.7 billion.

Nevertheless, despite a difficult year, we managed to maintain our 2020 Operating EBITDA at a similar level to 2019, at around ₱4.2 billion.

We saw construction activity grind to a halt during the Enhanced Community Quarantine in Luzon which started on March 17 last year. At the same time, in Visayas and Mindanao, activity slowed down significantly.

We suspended the production and delivery of cement products in our Solid Cement Plant beginning March 19, and resumed operations on May 20, after taking measures to fully comply with regulations set by the Department of Labor and Employment and the Department of Trade and Industry, and consistent with the implementation of a General Community Quarantine in the province of Rizal.

Our APO Cement Plant remained operational in 2020, complying with all necessary hygiene and safety measures.

We are grateful to our employees who have risen to the challenge of COVID-19 by acting safely, and with agility, to continue serving the needs of our customers.

As soon as the threat of COVID-19 emerged, we activated our Rapid Response Teams to swiftly adapt to the new conditions and introduce preventive measures within the company.

We focused on three priorities:

- 1) protect the health and safety of our employees, their families, our customers, suppliers, and surrounding communities;
- 2) continue to serve our customers safely and reliably by leveraging our digital technologies;
- 3) and strengthen our operation through cost control and efficiency efforts.

Regarding our first priority, in accordance with global, national, and local health authority recommendations, CEMEX developed and implemented more than 50 hygiene and safety protocols to mitigate the risk of COVID-19 threats in our operations.

We also constantly promote adherence to our 4 Key Behaviors that Save Lives, which include wearing of face masks and PPEs, physical distancing, frequent hand washing and sanitation, regular health checks and monitoring.

We supported our employees through flexible work arrangements, virtual trainings, and additional programs to manage the COVID-19 Pandemic, such as emotional and mental well-being.

Our sympathy goes out to those that have been directly affected by the COVID-19 pandemic.

We deeply thank all healthcare workers, front liners, essential workers, and all our unsung heroes during this COVID-19 situation. Thank you for standing strong.

As an essential industry, our proactive approach to health and safety enables us to contribute to the important role that the construction industry has in building and maintaining critical infrastructure, and to lead economic recovery going forward.

We continue to champion the use of our CEMEX Go digital platform, which allows our customers to purchase products, track deliveries, and manage orders in real-time, in a contactless way.

In October last year, we virtually inaugurated our new in-house Service Center located in our Makati City office. This new Service Center enhances our capacity to better serve our customers across multiple communication channels.

We have also taken steps to digitalize and enhance our internal and external administrative processes. These developments have led to more online transactions, and increased convenience for our clients.

For 2020, our customers rated us with a Net Promoter Score of 66 points, an improvement in our main customer experience indicator of 10 points when compared to 2019. We attribute the increase to service improvements in response to customer feedback and close collaboration among functional teams.

Our well-established brands, such as "APO", "Island", and "Rizal", are used today in some of the nation's key infrastructure projects such as the Cebu–Cordova Link Expressway, the Jalaur River Multipurpose Project II in Iloilo, and the North-South Commuter Railway Project in Luzon.

We implemented strict measures to control costs by reducing discretionary expenses.

In addition, our total distribution cost declined by 17 percent year-over-year in 2020. This was driven by initiatives to derive supply chain efficiencies, higher transport utilization, and better fuel consumption.

As a result of our cost control and efficiency efforts, we managed to have our 2020 operating EBITDA at minus 1 percent versus 2019.

We successfully completed our Stock Rights Offering during the first quarter of 2020.

Once again, we would like to express our sincere appreciation to everyone who supported us and participated in the SRO.

As a result of this exercise, we managed to increase the company's equity capital to improve its capital structure, provide balance sheet flexibility, and fund our Solid Cement Plant expansion.

The total proceeds raised from the SRO amounted to ₱12.8 billion.

For full year 2020, we disbursed around ₱7.9 billion of the SRO proceeds raised for the repayment of debt owed to CEMEX ASIA, B. V. Most of our debt to CEMEX ASIA, B. V. had been incurred for the Solid Cement Plant expansion project.

We also disbursed around ₱1.3 billion for the payment of costs and expenses associated with the Solid expansion project, and around ₱224 million for fees, expenses and taxes related to the SRO.

Our Net Debt to Operating EBITDA ratio at the end of 2020 was at 1.6 times, compared to 4.4 times at the end of 2019.

In late April this year, CEMEX held virtually its first edition of the CEMEX Global Awards. The event recognizes the efforts of colleagues and teams towards the strategic priorities of CEMEX.

I am pleased to report that CEMEX in the Philippines received a total of ten awards in three out of the four business priorities:

- Three awards under the Customer Centricity category
- Six awards under the Health and Safety category
- One award under the Sustainability category

CEMEX Philippines received three major awards under the Customer Centricity category.

Our Distribution and Institutional teams were recognized as 1st place for "CEMEX Go Top Orders Adoption" for the Larger and Smaller Markets categories.

Orders Adoption is the percentage of total orders placed in CEMEX Go compared to the total orders of our customers.

CHP also received an award for “Best Initiative Implemented” for our Electronic Authority to Withdraw, or eATW project.

The eATW is a digital solution for our customer’s pick-up experience. It automates the manual process, giving our customers the ability to process and monitor cement pick-ups anytime, anywhere, and from any device.

Under the Health and Safety category, CEMEX Philippines received several recognitions.

Overall, after achieving zero injury performance in 2020, CEMEX Philippines was conferred with the “Zero4Life Contribution” award.

Meanwhile, our APO Cement Plant garnered “Best Performance – 1st Place” under the Cement Sector, while our Supply Chain team achieved “Best Performance – 1st Place” under the Other Business Units sector.

In addition, CHP received the “Contractor Management Award” for its Pre-loading Marine Inspection Prior to Vessel Docking program.

CHP’s wellness programs and employee engagement activities were also recognized.

Our “COVID Activity Book for Kids and Families” and “Quaran-Team Wellness and O-lympics” programs were both awarded with the “Fit4Life Contribution” award.

With the goal of boosting the morale of employees and their families amidst the pandemic, we held virtual sessions and friendly competitions for employees through our Online Olympics and Quaran-Team Wellness programs.

We also launched a COVID-19 activity book for the families and children of our employees, to promote our Behaviors that Save Lives.

And lastly, for sustainability, the Solar-Powered Lighting System at the quarry area beside our Solid Cement Plant was also recognized under the Energy Efficiency and Clean Energy category.

Since the Philippines experiences an average of 10 to 12 hours of daylight, an idea was developed to use solar-powered lights to reduce the usage of diesel-powered tower lights in the quarry area.

This sustainability project reduces an estimated 20 tons of CO₂ emissions per year, and is equivalent to planting around 975 trees.

I take much pride in congratulating our colleagues who contributed to the achievement of these awards.

These accomplishments inspire us and demonstrate our ability to reach our goals through innovation, collaboration, and hard work.

I would like to share that during the first quarter of 2021, we celebrated the 100-year anniversary of APO Cement Corporation. In its century of existence, APO’s milestone is a reminder that institutions outlast challenges through the collective action of its people. We are proud to be a part of APO’s heritage in Cebu, and its long-standing role in nation-building.

2021 will be the second year under the COVID-19 Pandemic.

We expect to coexist with the virus, until the country’s vaccination drive makes significant progress.

We remain cautious on the road ahead as headwinds and uncertainty remain.

The country will continue to struggle between managing the pandemic and recovering from the effects of impeded domestic activity, lower demand, and reduced incomes.

Inflationary pressures will also be a challenge, driven in part by higher global fuel prices.

Based on first quarter 2021 GDP numbers, we have seen that the Philippines continues to be in a recession.

For our industry, we will continue to see intense competition amidst subdued demand due to the pandemic. Traders of imported cement have remained significant competitors in all regions of the country.

Nevertheless, we are seeing some hopeful signs, as more industries, such as ours, have been allowed to operate even under the strictest quarantine classifications.

Our continued operations contribute to economic recovery as construction plays an important role in GDP.

Our full year 2021 guidance for cement sales volume is to grow between 5 to 7 percent.

The construction of our Solid Cement Plant New Line continues, following a pause during the Luzon EQC last year.

Our current estimate is for the New Line to complete construction by December 2021.

Last January 2021, the project reached a milestone with the lifting of the new kiln into position.

This demonstrates our full commitment to the development of the country and brings us closer to further strengthening our position in providing the infrastructure and building needs for economic development.

We stand by our priorities during this time of pandemic, we will focus on health and safety, serving our customers and supporting the economy as an essential industry, and continuing to find ways to be more sustainable and efficient in our operations.

Our commitment to health and safety remains across any government-mandated quarantine classification. We are committed to following the necessary safety protocols and practicing our Behaviors that Save Lives.

We have been adding features to our CEMEX Go digital platform, as we integrate more functionality into the portal.

We also have a number of projects in the pipeline to improve our customers' experience. Included in these projects are paperless initiatives, customer management initiatives, and upgrading of digital capabilities.

We will continue to pay close attention in controlling our costs, utilize the levers available to us to optimize our operations, and further enhance interactions with our customers.

While uncertainties remain for this year, our proven resilience and strength will be our driving force in serving our customers and maintaining business continuity.

As mentioned by our Chairman, in 2020, CEMEX globally rolled out its proactive Climate Action strategy, beginning with a 2030 target of reducing its net specific CO₂ emissions by 35% compared to its 1990 baseline.

At CEMEX Holdings Philippines, we are aligned to this plan and are laying out our roadmap to reduce CO₂ emissions in our operations.

Cement production is an energy intensive process requiring the use of various types of fuels and a considerable amount of electricity.

An optimal sourcing and use of power and fuels is a major contributor to reducing the demand for energy and lowering energy-related emissions.

We are proud of our plants, Solid and APO, for attaining the ISO 50001:2018 certification for Energy Management System in 2020.

We have been working to maximize the technical levers currently available to reduce emissions in the cement production process:

- increasing energy efficiency;
- using alternative fuels;
- expanding our use of clean energy;
- and reducing clinker factor.

We are increasing our use of alternative fuels, and we look forward to the co-processing of treated medical waste at our APO Plant in Cebu. This is another solution we can provide during this time of pandemic.

We have in the pipeline a 4.5-megawatt waste-heat-to-energy facility in our APO Cement Plant. This is similar to the 6-megawatt waste-heat facility we have in our Solid Cement Plant.

We use mineralizers in our Solid Cement Plant to reduce the temperature needed to produce clinker and improve clinker reactivity.

This results to energy savings, and allows us to reduce our clinker factor, while producing more cement with lower energy and carbon intensity.

We continue to use admixtures to reduce the amount of clinker we use per ton of cement produced.

We have also developed specialty cements suited for certain applications such as high strength blended and Masonry Cement.

We will continue to develop and promote the use of blended cement, as these products have a lower carbon footprint when compared to Ordinary Portland Cement.

And finally, CHP remains committed to building stronger and more resilient communities. Last year, given the unprecedented pandemic, a large component of our support was for public health and safety initiatives. We partnered with local government units to strengthen our communities against COVID-19 through the provision of food and vitamins, hygiene and medical supplies, as well as support for sanitation. We also helped in distributing much needed items through the provision of transportation and manpower. Our continuous collaboration with the community is a key element in our shared goal of building a better future.

In closing, as COVID-19 will continue to be a challenge in 2021, we will remain focused on health and safety in all our relationships – our employees and their families, our customers, suppliers, and communities – while continuing to provide essential products and services in the markets that we serve.

On behalf of our Board of Directors, our management team, and our employees, we thank you for the opportunity you give us, and for your trust in CHP.

Thank you, stay safe, and a pleasant day to all.

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