



# **CEMEX Global Policy for Third Parties**

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## I. Objective and Scope

This Global Policy for Third Parties (hereinafter, the “Policy”) sets out principles, guidelines and procedures so that CEMEX Personnel conduct relationships with Third Parties in a proper manner within CEMEX. This Policy should be read along with CEMEX’s Code of Ethics and Business Conduct (“Our Code”), and the Global Anti-Corruption Policy, as well as any other applicable policies to which CEMEX Personnel and Third Parties are subject to.

This Policy will prevail over any CEMEX local policies, controls, guidelines and procedures inconsistent with the terms hereof. However, where local laws, procedures or practices are more restrictive than this Policy, such restrictive local requirements shall govern.

This Policy is applicable to CEMEX, CEMEX Personnel and Third Parties within CEMEX regardless of where they are located or conduct business.

## II. Definitions

“**Anti-Corruption Laws**” refers to, but is not limited to, the U.S. Foreign Corrupt Practices Act (the “FCPA”), the Organization for Economic Cooperation and Development’s Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (the “OECD Convention”), the U.K. Bribery Act 2010 (the “Bribery Act”), and similar anti-bribery and anti-corruption laws in effect in countries where CEMEX conducts business.

“**GES**” refers to the Global Enterprise Services Department, who have, among other responsibilities, the delivery of business and transactional services to CEMEX’s operations in observance of controls practices.

“**CEMEX**” refers to CEMEX, S.A.B. de C.V., its subsidiaries and affiliates.

“**CEMEX’s Master Database**” refers to the electronic database and system repository within CEMEX where all information from Third Parties is stored.

“**CEMEX Personnel**” refers to the executives, directors, officers, employees, and interns of CEMEX.

“**Compliance Area**” refers to the team composed by the Compliance Director, the Regional Compliance Officers, and other Local or Regional Lawyers and their respective staff, whose function is to ensure business processes and transactions are compliant with applicable international laws and regulation, internal policies, guidelines, procedures and controls.

“**Government Official(s) or Politically Exposed Person (“PEP”)**” refers to, but is not limited to: (i) any officer, employee, counselor or agent of any manner connected with, any government or government entity, including without limitation any department, agency, entity controlled by government or any person acting in its official function; (ii) any director, officer or employee of a public international organization (e.g., the United Nations, the World Bank or the International



Monetary Fund); (iii) any political party, or affiliate official or employee, candidate for public office; and (iv) any member of a royal or ruling family. This definition includes former government officials, family members or close relatives of government officials or PEPs.

**“Government Entity(ies)”** refers to, but is not limited to, national, state and local governments; departments; bodies; agencies; instrumentalities of any government; state-owned or state-controlled entities (meaning (a) a government has a 50% or greater ownership interest in the entity, or provides 50% or more of the entity’s capital, or (b) the government owns less than 50% of the stock and provides less than 50% of the capital but controls the entity’s operations); public international organizations and political parties.

**“Money Laundering”** refers to the process of disguising the nature and source of money or other property connected with criminal activity, such as drug trafficking, terrorism, bribery or corruption, by integrating the illicit money or property into the stream of commerce so that it appears legitimate or its true source or owner cannot be identified. Those involved in criminal activity attempt to hide the proceeds of their crimes or make them appear legitimate by “laundering” them through legitimate businesses.

**“Third Party(ies)”** refers to, but is not limited to: credit customers, vendors, contractors, subcontractors, agents, subagents, custom brokers, freight forwarders, logistics providers, distributor, representatives, business partners, joint ventures, or any other person acting on CEMEX’s behalf (such as representatives, agents or intermediaries) and their employees or other persons working on their behalf.

### **III. How we Operate with Integrity**

We expect CEMEX Personnel and Third Parties to understand and adhere to the following principles related to CEMEX policies:

Anti-Bribery and Anti-Corruption. CEMEX operates under a **zero-tolerance** policy towards bribery and corruption. All Third Parties and CEMEX Personnel are expected to comply with anti-bribery and anti-corruption laws in effect in countries where CEMEX conducts business.

Anti-Money Laundering. CEMEX Personnel and Third Parties must comply with all applicable laws and regulations that prohibit money laundering. CEMEX Personnel and Third Parties should make sure not to facilitate or support the process of covering up the source of illicit funds of terrorist or criminal activities through legitimate business.

Antitrust. CEMEX Personnel and Third Parties must ensure business is conducted in an open and competitive manner in compliance with all applicable laws and regulations regarding fair competition and antitrust. We provide Third Parties with equal opportunities to bid on and win contracts conducting our procurement policies and processes consistently, respectfully, and confidentially.



Health and Safety. All business activities performed by CEMEX Personnel or Third Parties must be carried out in a safe and efficient manner by following all regulations, laws, policies and procedures ensuring we take care of everyone on our sites and others who have the potential to be impacted by our activities. All Third Parties must observe the same health and safety regulations and expectations applicable to CEMEX Personnel.

Human Rights. Respecting human rights is embedded in the way we do business. We do not tolerate any violation of human rights in our business, our supply chain or partnerships, and will take seriously any allegation that human rights are not being properly respected. An environment of mutual respect must always be fostered, and we shall provide support and encouragement to each other.

Conflict of Interest. CEMEX Personnel and Third Parties shall not use their position to acquire improper benefits or opportunities.

Gifts and Hospitality. We understand that business gifts and courtesies are an important component of many cultural traditions worldwide. CEMEX Personnel may accept gifts and entertainment in compliance with CEMEX's internal policies. Third Parties should not promise, offer or give any gift or hospitality on behalf of CEMEX.

Environment. We are committed to mitigating the environmental and adverse social impacts that our operations have on our communities by complying with all applicable laws, trainings, guidelines and procedures.

#### **IV. What does CEMEX require from Third Parties**

Third Parties engaged by CEMEX are required to comply with Our Code and Code of Conduct When Doing Business with Us, as well as all other applicable CEMEX policies, including this Policy.

Third Parties should not render services or enter business relationships with CEMEX unless they have undergone a due diligence procedure, as defined by the Compliance Area, when applicable. Prior to entering a business relationship, potential Third Parties must provide a complete signed copy of CEMEX's Third Party Compliance Declaration, when applicable. Third Parties shall provide mandatory documentation that will serve as official identification of every Third Party and its legal representatives as defined below. When applicable, submission of a completed due diligence questionnaire, additional legal documentation and guidelines will be defined and requested by the Compliance Area.

If there are any comments or questions throughout the process about the required documentation, contact the Compliance Area. All waivers or exceptions to the ordinary due diligence process should be expressly approved in writing by the Compliance Area.

This process is a critical part of CEMEX's evaluation of Third Parties for potential engagement.



## **V. Due Diligence Procedures**

If any CEMEX Personnel is aware that a potential Third Party refuses to carry out the procedures outlined herein, they must immediately notify the Compliance Area.

If any CEMEX Personnel intends to register a direct or indirect PEP in CEMEX's Enterprise Resource Planning ("ERP") system, the Third Party must first provide a specific due diligence questionnaire for the Compliance Area to evaluate.

We carry out proper due diligence procedures in order to evaluate potential and current Third Parties that may be partnering up with CEMEX through:

### **a. Onboarding**

#### *Inform and engage*

Prior to entering into a business relationship with a Third Party, CEMEX Personnel must consider at least the following information:

- Business need or reason for retaining the Third Party;
- How was the proposed Third Party identified and list alternative Third Parties that were considered; and
- Proposed compensation and payment structure.

GES is the responsible area for suppliers everywhere. On the other hand, the area responsible for customers is either GES or the Commercial Team. For more information on which area is responsible for customer matters in each country, please consult Annex 2.

Additionally, CEMEX Personnel must provide the following documentation (i) to GES regarding suppliers, and (ii) to GES or the Commercial Team, accordingly, regarding customers.

- Third Parties' signed copy or CEMEX's Third Party Compliance Declaration; and,
- Mandatory documentation<sup>1</sup> to be evaluated for due diligence purposes which includes, but is not limited to, articles of incorporation, tax identification, powers of attorney, representative IDs, bank letters and proof of address, that will be submitted to a risk assessment and integrity review (unless local laws prohibit the delivery of this documentation).

Any waiver or exception to the normal onboarding process for Third Parties should be expressly approved by the Compliance Area. Some of the exceptions include, but are not limited to, court orders derived from labor lawsuits, child support or any other lawsuit.

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<sup>1</sup> For more information on mandatory documentation please refer to our Vendor Records Policy. Contact the GES or Commercial Team to review and confirm the updated mandatory documentation.



The employee who is in charge of the efforts of entering into a business relationship with a Third Party is responsible for ensuring that said Third Party correctly declares if it will act as a CEMEX agent, intermediary or representative, on the Third Party Compliance Declaration.

### *Due Diligence*

CEMEX Personnel must review and follow-up to the extent necessary upon receipt of the due diligence mandatory documentation to submit complete and accurate materials to CEMEX's Master Database for the GES or Commercial Team, to review and request, if applicable, further approvals.

The due diligence investigation carried out by the Compliance Area will normally consist of evaluating references, analyzing public information, running sanction screenings on external databases or additional reviews with external service providers. Based on the risk assessment and integrity review, the Compliance Area may carry out an enhanced due diligence or request additional information.

### *Evaluation of Due Diligence*

GES or Commercial Team, must review the complete mandatory documentation and information of a proposed Third Party through the applicable ERP system once received.

Additionally, GES or Commercial Team will verify if the Third Party has any of the following high-risk factors: (i) the Third Party will act as a CEMEX agent and/or (ii) the Third Party is a Government Entity.

If the Compliance Area decides that CEMEX may not retain the Third Party, the CEMEX Personnel overseeing the Third-Party relationship will receive written notification of the decision and will not be permitted to enter into a business relationship with such Third Party.

If the ordinary due diligence process was sufficient, no relevant or material information was found, and it is determined that CEMEX may retain the Third Party, GES or Commercial Team, will proceed to register the Third Party in CEMEX's Master Database. GES and/or Commercial Team is responsible for ensuring the correct storage (archiving) of the required documents in our ERP system. Nevertheless, the procedures set forth below must be followed for retention and post-retention purposes.

In case any documentation provided to CEMEX through the due diligence process contains any personal data, CEMEX Personnel shall manage such documents and personal data in accordance with the guidelines and procedures of the CEMEX Global Data Protection and Privacy Policy found in CEMEX's official website.



**Third Parties may not render any services for or on behalf of CEMEX prior to completion of a due diligence process and execution of a written agreement.**

#### **b. Retention**

When CEMEX has made the decision to engage in a business relationship with a proposed Third Party, the Third Party shall adhere to our principles and standards set out in Our Code, this Policy and other applicable CEMEX policies.

A written agreement, which can have the form of a services agreement, a retainer agreement, a written presentation, a detailed invoice, a purchase order, must be executed to engage in a business relationship with a Third Party with or on behalf of CEMEX. Written agreements must have a clear description of the scope and purpose of the engagement, the basis for the compensation, the amount to be paid and any relevant material terms and conditions. Third Parties shall duly justify the professional goods and services requested, clearly specifying the general conditions, reasonable fees, technical specifications and terms and conditions that are established for this purpose. In addition, written agreements must contain at least the following provisions:

- Standard clauses as defined by the Corporate Legal Department;
- A provision that requires the Third Party to provide any information as requested by CEMEX regarding the work performed under the engagement and related expenditures by the Third Party (in case of reimbursement for expenses, the Third Party must comply with our Travel Expenses Global Policy); and
- A provision authorizing CEMEX to terminate the contract if there is a belief, in good faith, that the Third Party has breached any applicable laws, regulations, international sanctions programs, this Policy, other CEMEX's policies, if the Third Party has not been truthful in the information provided to CEMEX, if the Third Party is on a sanctions list or a penalty/sanction is imposed.

CEMEX Personnel overseeing the Third Party relationship shall keep record of the execution of any written agreement as stated below in Section VIII "Deliverables".

#### **c. Monitoring**

CEMEX carries out monitoring activities of all its Third Parties, including but not limited to conducting periodical screenings through the Compliance for Entities tool, requesting a constant update of the submitted mandatory documentation, and overseeing the goods and services provided, and the activities performed by the Third Party on behalf of CEMEX.



Periodically, CEMEX may carry out related activities such as making additional requests (e.g., re-certification of compliance with applicable laws) or contacting a Third Party to update its due diligence documentation, such as when a red flag or other indication of possible misconduct arises, or if two years have passed since the last time a Third Party's due diligence was updated. CEMEX expects timely responses to such requests if the Third Party wishes to continue to be engaged by CEMEX. It is very important that CEMEX's due diligence files are complete and updated.

CEMEX Personnel and Third Parties have a duty to report, through any of the official reporting channels set out in Our Code, if they have knowledge of or suspect that an improper payment or any other misconduct has occurred, is occurring or will occur in connection with work being done by a Third Party.

## **VI. Books and Records**

All transactions and expenditures with respect to Third Parties must be accurately recorded in CEMEX's books and records with reasonable detail and appropriate supporting documentation.

To ensure the accuracy of CEMEX's books and records, all Third Party invoices, payments and other accounting records must be: complete, timely prepared and submitted, must accurately reflect the goods and/or services provided and the necessary approvals for all the transactions and expenditures, and accompanied by appropriate supporting documentation.

The details of the goods and services (related to transactions and expenditures) are documented both in the purchase order and in the invoice. Both of these documents are uploaded and stored in our ERP system.

CEMEX Personnel responsible for a Third Party business relationship must promptly submit all invoices from Third Parties along with any supporting documentation to the GES or Commercial Team.

No undisclosed or unrecorded accounts are to be maintained for any purpose, including for making payments to Third Parties.

## **VII. Deliverables**

The CEMEX Personnel requesting the registration of the Third Party must keep an electronic file to document evidence that certifies that the service or the good was duly provided to CEMEX either in a log of deliverables, photographs or any other similar documents.

## **VIII. Policy Compliance**

Strict compliance of this Policy is required from every CEMEX Personnel and Third Party. All CEMEX Personnel and Third Parties must certify their understanding and adherence to this Policy *in writing* or through our electronic means made available through our Third Party website.



Violation of this Policy may result in disciplinary action, up to and including termination of employment or a Third Party business relationship with CEMEX, or any other sanctions permitted by law, as appropriate under the circumstances.

*If you suspect that someone is not complying with this Policy, we encourage everyone to use ETHOSline or any other official reporting channel to ask questions, report misbehaviors or suspicions.*



## Annex 1: Third Party Compliance Declaration

### THIRD PARTY COMPLIANCE DECLARATION

The undersigned, on behalf of its officers, directors, employees, and affiliates (all together, the "Third Party"), confirms that it has received or has been made available Cemex, S.A.B. de C.V. and its affiliates' (together, "Cemex") Code of Ethics and Business Conduct (the "Code"); Code of Conduct when Doing Business with Us; Global Anti-Corruption Policy; Global Anti-Money Laundering Policy; Global Sanctions, Export Controls, and Anti-Boycott Compliance Policy; Human Rights Policy and other Cemex policies related to Cemex's Code (all together, the "Policies"). Third Party confirms and undertakes that, in relation to its business or commercial relationship with Cemex, it will comply with the Policies and all applicable laws, regulations and rules, and further confirms that Cemex may rely on this letter with regards to all business and commercial dealings with Third Party. Third Party undertakes that it will immediately notify Cemex in writing in case it is no longer able to comply with the confirmations provided in this certification.

**Date** (mm/dd/yyyy):

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**Complete name of Third Party:**

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**Complete name and current title  
of the authorized representative**  
(i.e. director, president, attorney-in-  
fact, etc.):

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**Signature        of        authorized  
representative:**

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## Annex 2: Countries with GES or Commercial Team

| Country        | Responsible for recording and updating the system's data regarding customers |
|----------------|------------------------------------------------------------------------------|
| Mexico         | Commercial Team (Customer experience)                                        |
| Colombia       | GES Team (CSR Colombia)                                                      |
| Bahamas        | Commercial Team                                                              |
| Nicaragua      | GES Team (CSR Colombia)                                                      |
| Jamaica        | GES (Commercial Administration)                                              |
| Puerto Rico    | GES Team (CSR Colombia)                                                      |
| Peru           | GES Team (by Local Service Center)                                           |
| TCL Group      | GES (Commercial Administration)                                              |
|                |                                                                              |
| USA            | GES Team (Transactional Services)                                            |
|                |                                                                              |
| UK             | GES Team                                                                     |
| Poland         | Commercial Team                                                              |
| Germany        | GES Team                                                                     |
| France         | GES Team Customers / Commercial Team Job sites                               |
| Croatia        | Commercial Team (Commercial support (Logistics))                             |
| Bosnia         | Commercial Team (Commercial support (Logistics))                             |
| Serbia         | Commercial Team (Commercial support (Logistics))                             |
| Montenegro     | Commercial Team (Commercial support (Logistics))                             |
| Czech Republic | GES Team                                                                     |
| Spain          | Commercial Team (Commercial Agents)                                          |
| Italy          | GES (Account Receivable Team)                                                |
|                |                                                                              |
| Egypt          | GES Team for Ready Mix and Commercial Team for Cement                        |
| Israel         | GES Team (Sales Administration)                                              |
| UAE            | GES Team                                                                     |