



## **Global Anti-Corruption Policy**

General global policy effective as of March 31, 2020 as authorized by the CEMEX, S.A.B. de C.V. Board of Directors on October 30, 2019

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## Index

I. Message from our Chief Executive Officer.....	3
II. Purpose.....	4
i. Compliance and Ethics Resources .....	5
ii. Reporting Requirements.....	5
iii. Procedures for Handling Complaints through ETHOSLine.....	5
III. Definitions .....	6
IV. Overview of Key Anti-corruption Laws .....	9
i. Foreign Corrupt Practices Act (“FCPA”).....	9
ii. United Kingdom Bribery Act (“UKBA”) .....	9
iii. OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.....	10
V. Government Interaction.....	10
i. General principles.....	10
ii. Specific guidance (non-exhaustive).....	10
VI. Prohibition on Bribery to Government Officials .....	11
i. Facilitation Payments.....	12
ii. Gifts and hospitalities to Government Officials.....	12
VII. Commercial Bribery.....	14
VIII. Conflict of Interest .....	14
i. Kickbacks .....	15
IX. Gifts and Hospitalities to other Third Parties (non-Government Officials) .....	15
i. Giving Gifts or Hospitalities.....	15
ii. Accepting Gifts or Hospitalities .....	16
X. Donations.....	16
XI. Political Contributions.....	17
XII. Third Parties.....	17
i. General guidelines.....	17
ii. Agents or representatives of CEMEX .....	18
iii. Red Flags .....	18
iv. Written Contract.....	19
v. Payment Procedures .....	20
XIII. Joint Ventures .....	20
XIV. Accounting Controls, Procedures and Records.....	21
XV. Policy Updates and Amendments .....	22
XVI. Conclusions .....	22
Appendix 1: Third Party Compliance Declaration.....	24
Appendix 2: Global Anti-Corruption Policy Acknowledgement Form .....	25
Appendix 3: Government Interaction Tool Overview.....	26
Anticorruption Global Policy – Internal Controls.....	27
i. Control 1: Handling of complaints received through any of the official channels set out in CEMEX’s Code of Ethics.....	27
ii. Control 2: Government Interaction Authorization tool.....	27
iii. Control 3: Follow-up and update of the Global Anticorruption Policy.....	28
iv. Control 4: Payments to government entities report .....	28
v. Control 5: Gifts and Hospitalities to other Third Parties (non-Government Officials) recipient or beneficiary control .....	28

## **I. Message from our Chief Executive Officer**

At CEMEX S.A.B. de C.V. and its subsidiaries and affiliates, we are committed to conducting business in full compliance with the letter and spirit of all applicable laws, rules, and regulations and in accordance with the highest level of ethical standards. We strive to do business with transparency and integrity and to ensure that all transactions comply with all applicable anti-corruption and anti-bribery laws. This includes a zero-tolerance stance towards the payment of bribes or kickbacks of any kind, whether when dealing with Government Officials or with the private sector. Additionally, we are committed to maintaining complete and accurate books and records and robust internal accounting controls.

This Global Anti-Corruption Policy is intended for all subsidiaries and affiliates, current and newly hired employees, officers, directors, and third parties doing business with us. Each is required to read this Policy, attend necessary trainings, and certify periodically that they have not and shall not engage in corrupt behavior.

We at CEMEX prioritize anti-corruption and anti-bribery in all our work, and we expect each of you to join in this important effort.

This Policy will also be available on the CEMEX's website.

Fernando A. Gonzalez Olivieri  
Chief Executive Officer

## II. Purpose

The purpose of this Global Anti-Corruption Policy (hereinafter, the “Policy”) is to ensure that CEMEX, S.A.B. de C.V., its subsidiaries and affiliates (together hereinafter, “CEMEX”), directors, officers, employees (together hereinafter “CEMEX personnel”), and Third Parties comply with all applicable anti-corruption laws, including but not limited to, the U.S. Foreign Corrupt Practices Act (the “FCPA”), Organization for Economic Cooperation and Development’s Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (“OECD Convention”), U.K. Bribery Act 2010 (the “Bribery Act”), and similar anti-bribery and anti-corruption laws in effect in countries where CEMEX does business and has operations (together “Anti-Corruption Laws”).

One of CEMEX’s main objectives is to ensure that its business is always conducted in a highly ethical and honest manner. CEMEX has adopted a zero-tolerance standard with respect to conduct that violates any Anti-Corruption Laws. Violations of any applicable Anti-Corruption Laws may result in criminal prosecution and/or the imposition of civil sanctions. CEMEX will not pay any fine imposed on any CEMEX personnel or Third Party as a result of a breach of any Anti-Corruption Laws or this Policy. In addition, any breach of this Policy may result in disciplinary action, up to and including termination of employment, or such other remedial or punitive action as shall be appropriate under the circumstances.

Conversely, CEMEX will fully support any CEMEX personnel, or Third Parties who decline to engage in conduct that would place CEMEX’s ethical principles and reputation at risk. As such, CEMEX encourages reporting and/or raising concerns in good faith any violation regarding this Policy or any Anti-Corruption Laws and strictly prohibits retaliation against any individual who reports. Such retaliation would be grounds for discipline, including potential termination of employment.

This Policy should be read along with Our Code of Ethics and Business Conduct (“Our Code”) as well as any other applicable policies and procedures to which CEMEX personnel and Third Parties are subject. This Policy must be followed over any local or regional policy, procedure or practice inconsistent with the terms hereof. However, where local law, procedure, control, guideline, or practice is more restrictive than this Policy, the more restrictive local requirements shall control.

This Policy is applicable to all CEMEX personnel, regardless of where they reside or conduct business, and third-party relationships over which CEMEX has control, including Joint Ventures, as well as all agents, consultants, business partners and other third-party representatives when they act on CEMEX’s behalf.

CEMEX personnel are expected to comply with this Policy, participate in anti-corruption training, and communicate the principles established by this Policy to their colleagues and business partners. In addition, CEMEX’s relevant employees shall be required to provide anti-corruption compliance certification every two years.

Before engaging in a business relationship with CEMEX, all third parties are required to sign our Third Party Compliance Declaration and must be registered into CEMEX’s Master Database.

Questions regarding this Policy or whether a particular activity is permissible should be directed to the Corporate Compliance Director, Regional Compliance Officers or submitted through our ETHOS Line.

i. Compliance and Ethics Resources

CEMEX is committed to the prevention, detection, and remediation of compliance issues. Accordingly, CEMEX has made available resources, including but not limited to the following, in the Policy Center to CEMEX personnel, and in certain cases, to the public in general:

- Our Code
- Insider Trading Global Policy
- Related Person Transactions Global Policy
- Ethics Hotline (ETHOS Line), which is accessible to the public in general at CEMEX's website
- Global Antitrust Policy
- Any other relevant policies

ii. Reporting Requirements

If CEMEX personnel know of or suspect a violation of applicable Anti-Corruption Laws or regulations, this Policy or any other relevant policy, they must report the facts promptly through ETHOS Line or to the Corporate Compliance Director and/or Regional Compliance Officers, Local Legal Departments or Local ETHOS Committee and keep evidence that the matter was reported. No CEMEX personnel or Third Party will be subject to retaliation because of a good faith report of actual or suspected breaches to this Policy or any Anti-Corruption Laws.

Consistent with its obligations under the law, and the enforcement processes established herein, CEMEX, to the extent reasonably possible, will keep confidential the identity of anyone reporting in good faith any actual or suspected violation of this Policy or applicable Anti-Corruption Laws. No CEMEX personnel will be terminated, demoted, suspended, harassed, or discriminated against solely because they reported in good faith an actual or suspected violation of this Policy or applicable Anti-Corruption Laws.

While individuals cannot insulate themselves from discipline or the applicable scope of any pertinent laws by reporting their own violations, self-reporting may, in appropriate circumstances and subject to applicable laws, be considered as a mitigating factor in any disciplinary action.

iii. Procedures for Handling Complaints through ETHOSLine

All reported violations or complaints will be promptly investigated and treated confidentially to the extent reasonably possible. The procedure for handling complaints received through ETHOSLine is as follows:

1. Once a complaint related to anti-corruption or anti-bribery is received through ETHOSLine, the recipient shall direct it to the Corporate Compliance Director or Regional Compliance Officers for review and resolution. If the Corporate Compliance Director or the Regional Compliance Officers have a conflict of interest with the complaint, they shall excuse themselves from the case and they shall direct it to CEMEX's Audit Committee.
2. The Corporate Compliance Director or Regional Compliance Officers shall then conduct a preliminary confidential fact gathering exercise and shall notify (i) the Corporate Compliance Director if the fact gathering process was conducted by a

- Regional Compliance Director or (ii) the head of the CEMEX Process Assessment area if the fact gathering process was conducted by the Corporate Compliance Director, in both cases on a privileged basis, about the process.
3. Next, if warranted by the preliminary confidential fact gathering exercise, the Corporate Compliance Director or Regional Compliance Officers shall appoint an official investigation team within the Compliance Area.
    - a. Depending on the scope of the complaint at issue, the investigation team could be members of the Compliance Area (Legal) itself, and/or external counsel appointed by the Corporate Compliance Director or Regional Compliance Officer.
  4. The investigation team will conduct the investigation, gathering evidence from internal and external sources as appropriate.
  5. The investigation team will present its findings and remediation recommendations to the CEMEX Compliance Area (Legal), and, in all cases to the Corporate Compliance Director and head of the Process Assessment area at CEMEX, who will, in turn, review the results and make decisions on remediation as needed.
  6. Matters will be elevated to the Board of Directors of CEMEX or CEMEX's Audit Committee, as appropriate.

It is imperative that reporting persons do not conduct their own preliminary investigations, to the point that this Policy prohibits a reporting person of performing their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and if a reporting person acts alone without proper guidance, they may compromise the integrity of an investigation and adversely affect both themselves and CEMEX.

The only persons that may perform their own preliminary investigations are the Corporate Compliance Director, Regional Compliance Officers, and the global head of CEMEX's Process Assessment area, in particular, but not limited to, investigations regarding any members of the Compliance Staff, CEMEX's Board of Directors, CEMEX's Audit Committee and CEMEX's Executive Committee.

### III. Definitions

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

**"Anything of Value"** includes, but is not limited to: cash and cash equivalents (e.g., checks, money orders, gift cards, etc.), stock, products, raw materials, discounts on products and services not readily available to the public, gifts, meals, entertainment, travel, accommodations, political contributions, and anything else of tangible or intangible value (e.g., a personal favor, a job offer, donations, assumptions or forgiveness of debt, or the use of equipment).

**"Business"** includes but is not limited to: winning a contract; influencing the procurement process; circumventing the rules for importation of products; gaining access to non-public bid tender information; evading taxes or penalties; influencing the adjudication of lawsuits or enforcement actions; obtaining exceptions to regulations; and avoiding contract termination.

**“BSO”** refers to the Business Service Organization and the Global Service Organization, who has, among other responsibilities, the delivery of business services or transaction to CEMEX operations in the execution of controls within the organization.

**“CEMEX’s Audit Committee”** refers to the Audit Committee of Cemex, S.A.B. de C.V., who is responsible for (i) evaluating our internal controls and procedures, and identifying deficiencies; (ii) following up with corrective and preventive measures in response to any non-compliance with our operation and accounting guidelines and policies; (iii) evaluating the performance of our external auditors; (iv) describing and valuing non-audit services performed by our external auditor; (v) reviewing CEMEX, S.A.B. de C.V.’s financial statements; (vi) assessing the effects of any modifications to the accounting policies approved during any fiscal year; (vii) overseeing measures adopted as a result of any observations made by CEMEX, S.A.B. de C.V.’s shareholders, directors, executive officers, employees or any third parties with respect to accounting, internal controls, and internal and external audit, as well as any complaints regarding management irregularities, including anonymous and confidential methods for addressing concerns raised by employees; and (viii) analyzing the risks identified by CEMEX S.A.B. de C.V.’s independent auditors, accounting, internal control and process assessment areas.

**“CEMEX’s Board of Directors”** refers to the Board of Directors of CEMEX, S.A.B. de C.V., who are responsible for supervising the overall operation of CEMEX.

**“CEMEX personnel”** includes the members of the Board of Directors, members of Committees, executives, directors, officers, employees, and interns.

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

**“Compliance for Entities”** refers, as of the date this Policy, to CEMEX’s third party screening system which cross checks CEMEX’s master database of third parties with official sanction lists from different official organisms and authorities which includes, but is not limited to, OFAC Sanction Lists and Programs, FGR lists, SAT lists, or any other system that CEMEX may employ in the future for such purpose.

**“ETHOSLine”** refers to one of CEMEX’s official reporting channels, managed by an independent third-party supplier. CEMEX personnel, third parties and any person with a claim may communicate their concerns or report any suspected or actual instances of misconduct without fear of retaliation or reprisal. ETHOSLine can be accessed via our official website, the intranet, Shift, or via ETHOS hotline.

**“Facilitation Payment”** (or an “expediting payment” or a “grease payment”) refers to small payments made to a Government Official for the purpose of expediting routine, non-discretionary government actions to which a company is legally entitled (e.g., a small payment to a low-level court official to obtain copies of legal files).

**“Gift”** or **“Hospitality”** refers to Anything of Value, including, but not limited to, promotional items, marketing items bearing CEMEX’s trademark or logo, meals, services, entertainment (e.g., concert or sports tickets or a round of golf), travel expenses (e.g., airfare, train tickets, bus fare

and lodging), loans, favors or anything else related to the promotion of CEMEX products or the execution of a contract.

**“Government Entity”** includes, but is not limited to, national, state and local governments; departments; bodies; agencies; instrumentalities of any government; state-owned or state-controlled entities; public international organizations; and political parties.

**“Government Interaction Authorization tool or Government Interaction tool”** refers to the tool, managed by the Compliance Area, that enables CEMEX personnel to submit their requests to obtain authorization for interactions with Government Officials, PEPs or Government Entities, available at: <https://governmentinteraction.cemex.com/>.

**“Government Official”** or **“PEP”** includes without limitation, (i) any officer, employee, counselor or agent of, or in any way related to, any government or governmental 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 an international organization; (iii) any political party, or affiliate official or employee, candidate for public office. This definition includes former Government Officials, family members or close relatives of the Government Officials or PEPs.

**“Joint Ventures”** refers to any business undertaking by two or more parties engaged in a single defined project, that usually involves the sharing of resources, control, profits, and losses, and that can take any of the following forms, including but not limited to, a corporation, a partnership, a limited liability company, a trust, an association or other entity.

**“Lobbying”** refers to any activity that has the intention to influence legislation or policy formation, or the decision-making process through any form of advocacy.

**“Public International Organization”** is an organization with two or more governments as members (e.g., the United Nations, the World Bank, or the International Monetary Fund).

**“Sensitive Transactions”** covers a broad range of business dealings generally considered to be either illegal, unethical, immoral or to reflect adversely on the integrity of a company. These transactions are usually in the nature of kickbacks, gifts of significant value, bribes or payoffs made to favorably influence some decision affecting a company’s business or for the personal gain of an individual.

**“Policy”** refers to the Global Anti-Corruption Policy.

**“Policy Center”** refers to CEMEX’s internal portal (our intranet called Shift) where Global Policies and their modifications can be found and accessed by all employees, or any other portal that CEMEX may use or designate for such purposes in the future.

**“State-Owned or State-Controlled Entity”** refers to any entity where (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.

**“Third Party(ies)”** includes, but is not limited to: suppliers, consultants, intermediaries, contractors, subcontractors, agents, sub-agents, customs brokers, freight forwarders, logistics



providers, distributors, representatives, business partners, Joint Venture partners, or companies and individuals that CEMEX has a business or commercial relationship with or that otherwise have express or implied authority to act on behalf of CEMEX.

#### **IV. Overview of Key Anti-corruption Laws**

Violations of Anti-Corruption Laws often require protracted and expensive investigations to resolve the underlying allegations, tarnish a company's reputation, and may result in a company being disqualified to serve as a government business partner or being disqualified from receiving funds from investors and creditors. They can also lead to hefty monetary penalties and potential imprisonment of individuals. Consequently, compliance with Anti-Corruption Laws is mandatory and a high priority at CEMEX. It is each CEMEX employee's responsibility to understand what laws or regulations govern his or her conduct, and to comply with those governing laws and regulations. Where local law is more restrictive than this Policy, the more restrictive local law will control.

##### **i. Foreign Corrupt Practices Act ("FCPA")**

The FCPA is a criminal statute from the United States of America, that prohibits the offering, promising, giving, or authorizing the giving of money or Anything of Value, either directly or indirectly, to a foreign Government Entity, Government Official, or anyone acting on behalf of a public international organization in order to obtain or retain business or secure an improper business advantage.<sup>1</sup> Additionally, the FCPA requires companies to (1) keep accurate books and records reflecting its transactions and disposition of assets and (2) maintain a reliable and adequate system of internal accounting controls.

The penalties for violating the FCPA can be severe. For example, corporations may be fined, debarred, subject to disgorgement, and/or required to engage a compliance monitor, and individuals may be fined and/or imprisoned.

##### **ii. United Kingdom Bribery Act ("UKBA")**

In addition to the FCPA, there are anti-corruption laws in effect in other jurisdictions where CEMEX conducts business, such as the Bribery Act in the United Kingdom, which criminalizes the bribery of both public officials as well as private individuals. The Bribery Act imposes liability on corporations that fail to prevent a bribe by an associated person. The Bribery Act also criminalizes the receipt of a bribe. Almost anything can constitute a bribe within the meaning of the Bribery Act, including payments, benefits and other advantages, whether financial or non-financial in nature, and whether or not they were intended to result in an advantage being received.

Like the FCPA, the Bribery Act has very broad jurisdiction and application. Bribery may be prosecuted under the Bribery Act if any act or omission forming part of the offence (i) takes place in the United Kingdom; or (ii) is done by a person having a "close connection" with the United Kingdom, such as citizenship, place of residence or place of incorporation. Regulators can also bring action under the Bribery Act against a company for improper actions committed by third parties, such as employees. This means that both CEMEX and individual employees can be prosecuted for the offence of bribery in the United Kingdom even if an employee engages in a

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<sup>1</sup> Note: Commercial bribery in the United States is covered under other domestic statutes.

bribe with a foreign person overseas.

iii. **OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions**

This international treaty is also known as the OECD Anti-Bribery Convention, and its purpose is to reduce political corruption and corporate crime in developing countries by encouraging sanctions against bribery in international business transactions. Among the 44 signatory countries are Colombia, France, Germany, Mexico, Russia, Spain, United Kingdom and United States.

## **V. Government Interaction**

i. **General principles**

CEMEX's general principles include, but are not limited to, any interaction by a CEMEX employee, agent or representative of CEMEX for any specific purpose with a Government Official. All interactions should be carried out with integrity, honesty, and in a transparent and professional manner. All contact and communication must be open, transparent and with a clear and documented purpose.

When a CEMEX employee interacts or expects to interact with Government Officials they must not go alone, there should be at least one other CEMEX employee and record or document the interaction in order to be transparent in all interactions and should always be done in accordance with applicable laws and/or regulations.

All interactions that have an expense regarding a gift or hospitality must be authorized before it is executed by the immediate supervisor, the Local Legal Department and by the Functional Head or Country President through the Government Interaction tool. The Corporate Legal Department of CEMEX must be contacted regarding any interaction that is not stipulated in any law, internal policy or business practice.

CEMEX agents and representatives have the obligation to disclose, before they are retained by CEMEX, if they will have any potential interaction with Government Officials and should comply with the guidelines set out herein.

ii. **Specific guidance (non-exhaustive)**

(i). *Interaction with Government Officials* – Prior to any meeting with a Government Official where an expense, gift or hospitality is to be made or given, CEMEX personnel must have had previously submitted for authorization such interaction using the Government Interaction Authorization tool, which requires the employee to submit the proper justification, documentation and clearly describe the purpose for the meeting. The CEMEX employee, who has submitted a request, is responsible for obtaining the corresponding authorizations from the immediate supervisor, Local Legal Department, Functional Head or Country President through the Government Interaction tool.

(ii). *Contact with authorities and organizations* – Any advocacy activity that entails an expense related to gifts or hospitalities on CEMEX's behalf requires prior approval from the immediate

supervisor and the Local Legal Department and by the Functional Head or Country President through the Government Interaction Authorization tool.

(iii). Accurate Information – CEMEX personnel must ensure all communication and information provided is accurate and clear. CEMEX personnel must never knowingly mislead with the information provided.

(iv). Lobbying – CEMEX endeavors to maintain a healthy and transparent relationship with governments in the locations where we carry out business by communicating its views and concerns to elected Government Officials and policy-makers. CEMEX personnel must seek prior approval from the Local Legal Department for local regulation regarding this matter. This activity is highly regulated in some jurisdictions, if local law is more restrictive than the provisions herein, then local law should govern.

CEMEX agents and representatives should not carry out any activity on behalf of CEMEX with the intention of lobbying or contracting pressure groups or hire external consultants to do so, unless they have written approval from CEMEX to do so.

(v). Improper influence – CEMEX personnel should never, directly or indirectly or through intermediaries or agents, offer or promise Anything of Value to a Government Official or authority for the purpose of obtaining information, influence decision-making processes, retaining business or any other improper advantage that CEMEX would unfairly benefit from. CEMEX personnel must avoid any activity or behavior that may give the appearance or raise suspicion of an improper influence.

(vi). Onboarding and employment of Government Officials or former Government Officials – CEMEX does not employ or onboard third parties who currently act as Government Officials.

Before employing or onboarding a Government Entity or a former Government Official, CEMEX employees must obtain written approval from the Compliance Area. Local laws and other CEMEX internal applicable policies must be followed for proper oversight of employed or onboarded former Government Officials or Government Entities. If the Corporate Compliance Director or Regional Compliance Officers consider it necessary, the corresponding CEMEX employee must obtain a written letter from the corresponding former Government Official or Government Entity certifying that they are not restricted from being employed or onboarded by CEMEX and that such employment or onboarding will not represent any conflict of interest or unfair advantage for CEMEX.

## **VI. Prohibition on Bribery to Government Officials**

While Anti-Corruption Laws prohibit Sensitive Transactions with and corrupt payments to Government Officials, they do not prohibit a company from conducting business with governments, agencies and government-controlled entities or instrumentalities. CEMEX's business activities frequently require direct dealings with government entities and officials acting in their official capacities. However, CEMEX's interactions with government entities and officials must be conducted with the highest integrity and without creating even the appearance of impropriety.

**CEMEX has adopted a zero-tolerance standard for bribery and corruption.** Under no circumstance shall any CEMEX director, officer, employee, or third party offer, promise, give or authorize the giving of money or Anything of Value to any Government Official, in any of the jurisdictions where we operate, or to any third party while knowing or being aware of a probability that the money or thing of value will be passed to a Government Official, with the intention of influencing the Government Official in his or her official capacity in order to obtain or retain business or secure a business advantage for CEMEX.

i. **Facilitation Payments**

A facilitation or “grease” payment is a remittance made to Government Officials to expedite or secure the performance of routine governmental actions. “Routine governmental actions” include: the issuance of permits, licenses or other documents needed to do business in the country; processing governmental papers such as visas and work permits; providing police protection and mail pick-up and delivery; scheduling inspections associated with contract performance or inspections related to transit of goods across country; providing phone service, power and water supply, loading or unloading of cargo; and protecting perishable products or commodities from deterioration. It does not include decisions by a Government Official awarding business; continuing existing business; or influencing others to encourage the award of new or the continuance of existing business.

Although facilitation payments are permitted by the FCPA under very limited circumstances, they are prohibited under the laws of many countries, including under the UK Bribery Act. CEMEX personnel and representatives shall not make facilitation payments to any Government Official, unless the circumstance involves an imminent threat to the health, safety or welfare of a CEMEX employee or a member of his or her family, or a co-worker (“safety threat”). Where there is such a safety threat, the CEMEX employee must make a good faith effort to obtain approval from the Corporate Compliance Director, Regional Compliance Officers or Local Legal Department before he or she makes a facilitation payment. Whenever a facilitation payment is made, it must immediately be reported to the Corporate Compliance Director, Regional Compliance Officers or the Regional Legal Director for its correct documentation and settlement in accounting books, in which it will be clearly described that the payment was made for the concept of personal security. The Corporate Compliance Director or Regional Compliance Directors will have the faculties to investigate the circumstances surrounding any facilitating payment.

If a facilitation payment has been made under the safety threat exception, it must be properly recorded in CEMEX’s books and records. This means that the entry in the books and records must accurately reflect the amount, date, and purpose of the payment; identify the recipient of the payment; and clearly reflect that the payment was a facilitating payment.

ii. **Gifts and Hospitality to Government Officials**

In certain situations, and when not prohibited under local law, CEMEX personnel and Third Parties may wish to extend a gift or hospitality to a Government Official, or their family members and close relatives, or may even be offered a gift or hospitality. However, because it is not always possible to know or understand the intent of the giver, the circumstances surrounding the provision of a gift or hospitality often determine whether it is appropriate to bestow the benefit. For this reason, CEMEX personnel and Third Parties must ensure that any gifts and hospitalities are aligned to the following:

- The gift or hospitality must comply with all applicable local laws, regulations, or business policies.
- The gift or hospitality must be offered in an open and transparent manner and accurately accounted for and recorded in CEMEX's books and records.
- The gift or hospitality must be reasonable, customary, have a bona fide and legitimate business purpose, and be given in good faith without the expectation of any benefit or reciprocal action in return.
- Payments to cover expenses must be paid directly to vendors (e.g., hotels, restaurants, airlines and car rental companies).
- The gift or hospitality must never be in the form of stocks, bonds, cash, check, money order, gift card, products, raw materials, or other similar method of providing currency. Per diems are never permitted.
- Gifts or hospitalities must not be extended to the same Government Official on a repetitive basis.

Providing a gift or hospitality to a Government Entity or to a Government Official poses inherent compliance risks. For this reason, written approval is required from the immediate supervisor, Local Legal Department and Functional Head or Country President (the "Authorization Report"). The request must include, at least, the following information: who is the Government Official or ultimate beneficiary (name and position); the value of the gift and hospitality; date; description or purpose of the gift or hospitality and any other defined by the Compliance Area in the Corporate Legal Department. Prior authorization is mandatory before its execution through our Government Interaction Authorization tool.

Unless there are more restrictive applicable local laws or policies, a nominal gift or hospitality such as a meal, travel or entertainment to a Government Official may be permissible if that amenity is provided as per this Policy and valued at USD\$100, or the equivalent in local currency, or less per person. Gifts of nominal value generally are permissible as promotional expenses, particularly when the items bear CEMEX's logo. However, even for such items of nominal value, CEMEX personnel and Third Parties should consider whether the frequency or timing of gifts may create an appearance of undue influence.

Unless there are more restrictive applicable local laws or policies, normal reimbursement procedures must be followed for any gift or hospitality valued at USD\$100, or the equivalent in local currency, or less per person: CEMEX personnel should submit their requests for reimbursement, along with supporting documentation such as receipts and participants list, including but not limited to the name and position of any Government Officials. The process for filing the expense report and the reimbursement process should be carried out as follows, the CEMEX employee should:

- submit their expense report through our CONCUR tool,
- choose concept No. 31 Attention to Government Officials (choose the nature of the expense, i.e., meal, travel or entertainment),
- attach the support documentation and the corresponding Authorization Report.

The corresponding BSO will be responsible for verifying that all this documentation is provided prior to closing the corroborating process of the expense report. All expenses should comply with this Policy, as well as local and international laws, and other applicable internal policies.

For further details regarding accountability refer to the Global Policy on Authorization and Accounting of Corporate Hospitalitys to Government Officials available on the Policy Center.

*a. Travel and lodging*

Travel and lodging expenses for Government Officials can raise complicated compliance questions and therefore must be approved in advance through our Government Interaction Authorization tool and comply with the guidelines set out herein; if local laws are more restrictive then local law should govern. They must be appropriate in duration and location; and directly related to the promotion, demonstration, or explanation of products or services, to demonstrate how any products, activities, services, business, operating facilities or units of CEMEX work (i.e., if a Government Official needs to visit a CEMEX operating site or facility to see how certain technology works in such site or facility), the issuance of any permits or licenses (i.e., if a Government Official needs to visit a quarry in relation to which a license or permit is to be issued) or related to the execution or performance of a contract (i.e., if a supply contract is being negotiated with any government and meetings have been scheduled to close the agreement in a certain location and with a Notary Public).

Thus, it is acceptable to pay the actual travel and lodging expenses incurred by Government Officials to inspect products or an operating facility or to execute a contract. However, CEMEX cannot pay for the non-business travel or lodging expenses of Government Officials. Under no circumstances shall CEMEX pay for travel, lodging, hospitality or entertainment of any family member or close associate of the Government Official.

Travel and lodging expenses for Government Officials associated with the business-related activity must be permitted under local law and cannot include activities such as paid trips to tourist attractions or to visit any Government Officials' family members. CEMEX personnel must submit a request according to the general guidelines set out in Section V through our Government Interaction tool and obtain the Authorization Report prior to incurring travel-related expenses for Government Officials.

The Local Legal Department is responsible for keeping documentary evidence of the abovementioned approvals, as well as supporting documentation. These guidelines may be subject to modifications or updates by the Corporate Legal Department from time to time.

## **VII. Commercial Bribery**

Bribery is harmful in any context and can severely damage CEMEX's reputation. While the FCPA only addresses bribery of foreign officials, some Anti-Corruption Laws, including the UK Bribery Act, prohibit bribery in both government and commercial contexts. Accordingly, under no circumstance shall any CEMEX personnel or Third Party offer, promise, give or authorize the giving of money or Anything of Value to any person, either directly or indirectly, with the intention of wrongfully influencing that person's actions in order to obtain or retain business, or secure a business advantage for CEMEX.

## **VIII. Conflict of Interest**

Conflicts of interest arise when a personal interest interferes or even appears to interfere, with the best interests of CEMEX. CEMEX personnel shall always act in the best interests of CEMEX.

A conflict of interest can develop into a bribery problem when an employee requests, agrees to receive, or receives Anything of Value (whether financial or otherwise), in a manner that interferes with the employee's judgment in performing his or her functions on behalf of CEMEX. This Policy strictly prohibits requesting or receiving bribes, kickbacks, or improper benefits.

i. Kickbacks

This Policy prohibits CEMEX personnel from paying kickbacks, bribes, or payments in any form, either directly or indirectly, to secure business. CEMEX personnel are prohibited from accepting or receiving kickbacks, bribes, or payments in any form, either directly or indirectly, in connection with CEMEX business.

**IX. Gifts and Hospitalitys to other Third Parties (non-Government Officials)**

i. Giving Gifts or Hospitalitys

In certain situations, and when not prohibited under local law, CEMEX personnel and Third Parties may wish to extend a gift or hospitality to a Third Party or may even be offered a gift or hospitality. However, because it is not always possible to know or understand the intent of the giver, the circumstances surrounding the provision of a gift or hospitality often determine whether it is appropriate to bestow the benefit. For this reason, CEMEX personnel and Third Parties must ensure that all gifts and hospitalitys are aligned to the following:

- The gift or hospitality must comply with all applicable local laws, regulations, or business policies.
- The gift or hospitality must be consistent with local customs and accepted standards for professional courtesies.
- The gift or hospitality must be offered in an open and transparent manner and accurately accounted for and recorded in CEMEX's books and records.
- The gift or hospitality must be reasonable, customary, have a bona fide and legitimate business purpose, and be given in good faith without the expectation of any benefit or reciprocal action in return.
- Payments to cover expenses must be paid directly to vendors (e.g., restaurants, hotels, airlines and car rental companies).
- The gift or hospitality must never be in the form of stocks, products or raw materials, bonds, cash, check, money order, gift card or other similar method of providing currency. Per diems are never permitted.
- Gifts or hospitality must not be extended to the same Third Party on a repetitive basis.

Unless there are more restrictive applicable local laws or policies, a nominal gift or hospitality (such as a meal, travel or entertainment) to a Third Party may be permissible if that amenity is provided as per this Policy and valued at USD\$200, or the equivalent in local currency, or less per person. Gifts of nominal value generally are permissible as promotional expenses, particularly when the items bear CEMEX's logo. However, even for such items of nominal value, CEMEX personnel and Third Parties should consider whether the frequency or timing of gifts may create an appearance of undue influence.

Unless there are more restrictive applicable local laws or policies, normal reimbursement procedures must be followed for any gift or hospitality valued at USD\$200, or the equivalent in local currency, or less per person. CEMEX personnel should submit:

- their requests for reimbursement, along with supporting documentation which should include, but is not limited to, corresponding authorizations from the immediate superior,
- sufficient information for identification of the recipients or beneficiaries of the gift or hospitality, receipts and other supporting documentation.

All expenses should comply with this Policy, as well as local and international laws, and other applicable internal policies.

## ii. Accepting Gifts or Hospitalitys

Unless there are more restrictive applicable local laws or policies, CEMEX personnel may be offered gifts or hospitalitys from Third Parties. Nominally valued marketing items bearing the trademark or logo of the third party (e.g., pens, mugs and mouse pads) may be accepted and need not be reported.

If a CEMEX employee is offered a higher valued gift or hospitality, it must be reported to the immediate superior and the Local Legal Department. CEMEX personnel must never accept a gift or hospitality reasonably believed to be valued at more than USD\$100 or the equivalent in local currency and must report any attempt by a Third Party to provide such a gift or hospitality. To preclude even the appearance of impropriety, CEMEX employees performing procurement functions and activities shall not accept gifts or hospitalitys under any circumstances.

In addition, CEMEX personnel must never seek or demand a gift or hospitality from a Third Party and must never permit a gift or hospitality to influence their independent business judgment.

## X. Donations

Donations may raise issues under Anti-Corruption Laws, particularly where a donation is to a charity associated to a Government Official, as well as may be prohibited under applicable local laws. Donations, whether in-kind or cash, may only be made to registered, well-respected charities or associations and must not be made to obtain or retain a business advantage, or a special service from a Government Official.

All donations must have written approval, according to the process set out in Global Policy on Budget Authorization, Accounting and Management Procedures of Donations, and any other applicable policies, before such donation is made. These donations must be accurately accounted for and recorded in CEMEX's books and records according to the guidelines defined by the technical accounting group at CEMEX. Besides the authorizations required herein, additional authorizations may be required in other applicable policies. The Compliance Area may request one or more external law firms in a country in which the corresponding donation is to be made, with the purpose of having the external law firm confirm and validate if such donation is allowed under local law or not, and if allowed, how it should be documented and executed. Any costs and expenses derived from using an external law firm for such purposes will be paid by the CEMEX business unit, area or country that is managing the donation.



For further information regarding accountability of donations refer to the Global Policy on Budget Authorization, Accounting and Management Procedures of Donations available on the Policy Center.

## **XI. Political Contributions**

Candidates for public office are considered under this Policy to be Government Officials, and governing law in many jurisdictions may restrict or prohibit payments or contributions to political parties or candidates for public office. Political contributions may never be made for obtaining or retaining business or an improper advantage for CEMEX. Written approval is required from the Country President of the corresponding Business Unit and the Corporate Legal Department before the contribution is made.

Additionally, these contributions must be accurately accounted for and recorded in CEMEX's books and records according to the guidelines defined by the technical accounting group at CEMEX. The Corporate Legal Department may request one or more external law firms in the respective country in which the corresponding contribution is to be made, with the purpose of having the external law firm confirm and validate if such contribution is allowed under local law or not, and if allowed, how it should be documented and executed. Any costs and expenses derived from using an external law firm for such purposes will be paid by the CEMEX business unit, area or country that is managing the political contribution.

## **XII. Third Parties**

### **i. General guidelines**

Under Anti-Corruption Laws, different CEMEX group companies, including the CEMEX's ultimate parent company, CEMEX, S.A.B. de C.V., its directors, officers and representatives, may be liable for the activities of subsidiaries, affiliates and Third Parties. Anti-Corruption Laws prevent CEMEX from making payments to Third Parties while knowing that all or a portion of such money payment or thing of value will be offered, promised, or given, directly or indirectly to a Government Official.

Knowledge has been interpreted to mean CEMEX is aware that it is engaging in such conduct, that such circumstance exists, or that such result is substantially certain to occur; or CEMEX has a firm belief that such circumstance exists or that such result is substantially certain to occur. Liability can be incurred not only by having actual knowledge of wrongdoing but also by purposefully avoiding actual knowledge.

To avoid corrupt payments from being made by Third Parties in connection with CEMEX's business, CEMEX must be diligent when entering business relationships so that it does so with reputable and qualified third parties. Once these relationships are formed, CEMEX personnel must monitor the conduct of Third Parties to supervise compliance with this Policy, CEMEX Global Policy for Third Parties and all applicable Anti-Corruption Laws.

Prior to entering into a business relationship, Third Parties must provide a signed copy of CEMEX's Third Party Compliance Declaration, mandatory legal documentation and complete a due diligence process according to the guidelines set out in the Global Policy for Third Parties available in CEMEX's official website and CEMEX's Policy Center at Shift.

The documents should include, but are not limited to, a covenant by the Third Party that it will comply with this Policy and will not take any action that would cause CEMEX to be in violation of this Policy or any applicable Anti-Corruption Laws.

In case a Third Party is unable to provide the complete legal documentation, the Cemex personnel seeking to register said Third Party must send an email to BSO with the documentation the Third Party has provided, and a detailed explanation of why certain documentation cannot be submitted.

BSO will contact the Compliance Area, who will evaluate if the Third Party fits the exceptions or not. The exceptions include but are not limited to the observance of court orders derived from labor lawsuits, child support or any other lawsuit, government entities, tax liabilities, public services, among others.

Due diligence must be performed and preserved during the process of selecting the third party to prove that the third party, its shareholders, directors and officers and/or representatives being used for interactions with CEMEX: is a bona fide and legitimate entity; is qualified to perform the services for which it will be retained; does not have any impermissible relationship with a political party or Government Official; and maintains business and ethical standards consistent with those of CEMEX.

Due diligence should be tailored by the Compliance Area to the risks associated with the situation. Due diligence may include external research and confirmation of the third party's qualifications and an in-person meeting or interview with the principals of the third party.

All original documents relating to due diligence must be forwarded to BSO for retention in the Enterprise Resource Planning "ERP" system (e.g. SAP, Oracle, etc.). Where original documents are not available, a physical and digital scanned copy shall be maintained.

#### ii. Agents or representatives of CEMEX

In addition, before engaging any Third Party, such as agents or representatives, who may interact with a Government Official on CEMEX's behalf, CEMEX personnel must submit, at all times, the Third Party Compliance Declaration to the BSO. The BSO will contact the Compliance Area, for them to carry out a due diligence process. Additionally, they must ensure the normal onboarding process is taken.

#### iii. Red Flags

Even when dealing with Third Parties with whom CEMEX already has an approved relationship, CEMEX personnel must be alert for suspicious circumstances, i.e. "red flags". Due diligence must be enhanced if there are red flags of potential corruption, which include but are not limited to the following:

- The country where the transaction is taking place has a significant perception of corruption;
- The Third Party was specifically recommended by a Government Official or commercial counterparty;
- The Third Party has a close relationship with a Government Official or commercial counterparty;

- The Third Party “consulting agreement” includes only vaguely described services or does not provide specification of the services provided (i.e., the services are described in such a general way that it is not clear of potential actions that would breach this Policy are being agreed to);
- The Third Party is in a different line of business than that for which it has been engaged;
- The Third Party refuses or hesitates to agree in writing to abide by Anti-Corruption Laws, the applicable local law or this Policy;
- The Third Party provides incomplete or inaccurate information in the required disclosures;
- The Third Party requests unusual or excessive payment, such as requests for over-invoicing, up-front payments, unusual commissions, or mid-stream compensation payments, or any payments, without justification, increase from one billing cycle to the other (i.e., unusual spikes in the fees);
- The Third Party requests payments in a different country, to a third party, to a bank account outside of the country in which the third party operates, or in cash or other untraceable funds;
- The Third Party requests that CEMEX provide employment or some other advantage to a friend or relative;
- The Third Party insists on the use of side-letters and refuses to sign a contract for the agreed terms;
- The Third Party requests reimbursement for poorly documented or questionable expenses;
- The Third Party makes unusually large or frequent political contributions or donations;
- Charges have been brought against the third party for violation of local or foreign laws, or regulations concerning the award of government or other contracts, or for possible violations of Anti-Corruption Laws;
- The Third Party relies on government or business contacts as opposed to knowledgeable staff and investment of time to promote CEMEX’s interests; or
- The Third Party expresses a desire to keep their representation of CEMEX or the terms of his retention secret.

If any red flags arise during selection or the business relationship with a third party, the Corporate Compliance Director, Regional Compliance Officers, Corporate Legal Department and Local Legal Department must be contacted immediately.

#### iv. Written Contract

Agreements with Third Parties must be in writing and must describe the need for the Third Party’s services, the detailed services to be performed, the basis for compensation, the amounts to be paid, and other material terms and conditions of the arrangement. The written agreement can have the form of a services agreement, a retainer agreement, a written presentation, a detailed invoice, a purchase order.

Written agreements should contain the following provisions, including but not limited to:

- A representation that the Third Party will remain in compliance with all applicable Anti-Corruption Laws, including the FCPA and the UK Bribery Act or similar local law;
- An anti-corruption clause;
- A provision that requires the Third Party to respond to requests for information from CEMEX regarding the work performed under the agreement and related expenditures by

the Third Party related to the corresponding agreement and services/goods to which the agreement refers to; 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 Anti-Corruption Laws or regulations.

CEMEX shall make its best efforts to include the following in the written agreements:

- A provision establishing CEMEX's right to audit the third party's books and records as it refers to compliance with anti-corruption terms and conditions contained in the corresponding agreement(s); and
- A provision permitting CEMEX's internal and external auditors, during the agreement and for three years after final payment has been made under the agreement, access to any information from the Third Party relevant to the work performed under the agreement and related expenditures

Agreements with third parties who may interact with Government Officials on CEMEX's behalf must be reviewed by the Corporate Compliance Director, Regional Compliance Officers and the Local Legal Department.

The payments under the agreements will be made only to the corresponding contractual counterparty and not to any other person(s).

#### v. [Payment Procedures](#)

Payments by CEMEX to a Third Party should be made to the Third Party's bank account in the country where the services are performed or where the Third Party's offices are located unless payments are invoiced in another currency. Cash payments to Third Parties are strictly prohibited, unless expressly permitted by an internal policy. In addition, CEMEX shall procure to avoid making payments to any agents hired or contracted by CEMEX that in turn will remit any such payments to another third party. If this is the case, documents should be obtained from such third parties. When reasonably possible, CEMEX should avoid making any payments to any CEMEX agent or third party representing CEMEX and should instead make the payments to the ultimate person that is to receive the corresponding funds.

CEMEX shall also continue to monitor Third Parties that have been engaged and update their records with any additional information obtained during periodic reviews.

The Global Policy for Third Parties and additional due diligence procedures related to Third Parties are available through CEMEX's official website, CEMEX's Policy Center at Shift and may be updated or modified by the Corporate Legal Department from time to time.

### **XIII. Joint Ventures**

The same general rules that apply to Third Parties also apply to the activities of Joint Ventures and shareholders or ultimate beneficiary owner of a Joint Venture. All CEMEX personnel must be vigilant so that compliance with applicable laws and the contractual safeguards established for any Joint Venture are observed. In addition to the provisions herein, according to CEMEX Global Policy for Third Parties and other guidelines set out in applicable policies, CEMEX personnel may not establish a Joint Venture relationship until they have submitted a completed due diligence format and corresponding required documentation to the Local Legal Department.

The Local Legal Department, in collaboration with the executives responsible for the transaction, is responsible for collecting all required documentation, confirming the execution of all required documents. The Local Legal Department will send the documentation and give a brief explanation of the findings, if any, to the Compliance Area. The Compliance Area will review the documents and give advice, depending on the results: as to go forward with the transaction or to be rejected.

If there are any doubts throughout the process about the required documentation, they should contact the Compliance Area. All waivers or exceptions of the ordinary due diligence process should be expressly approved in written by the Compliance Area.

When monitoring Joint Ventures, the red flags CEMEX personnel must be aware of include, but are not limited to the following:

- Use of agents or other third parties without conducting due diligence and/or without written contracts;
- Unusual or incomplete documentation;
- Unusual or overly complex arrangements which demonstrate a lack of transparency;
- Unusual or overly generous subcontracts;
- Excessive, false or poorly described payment requests;
- Requests for upfront payment;
- Shareholders of Joint Ventures that are PEPs; or
- Joint Ventures that are engaged in rendering services or activities with the government.

If any such red flags are suspected or found, CEMEX personnel must contact the Corporate Compliance Director, Regional Compliance Directors and the Local Legal Department immediately.

Additionally, the CEMEX employee responsible for any Joint Venture or similar agreement must only enter into such transaction if the corresponding documents governing the partnership contains the standard clauses, which should include an anti-corruption clause contemplated by this Policy and by the Third Party Compliance Declaration.

#### **XIV. Accounting Controls, Procedures and Records**

CEMEX must maintain a system of internal accounting controls that conform to generally accepted accounting principles (“GAAP”) or International Financial Reporting Standards (“IFRS”), as applicable and that can detect, address, and prevent disparities between recorded and existing assets.

CEMEX shall maintain books and records that accurately and fairly reflect all transactions and dispositions of CEMEX’s assets, consistent with the FCPA’s Books and Records Provisions and similar provisions of Anti-Corruption Laws.

For any entities in which CEMEX holds 50% or less of the voting power, and/or regarding entities that CEMEX controls and consolidates based on contractual arrangements, CEMEX requires that the corresponding entity devise and maintain a reasonable system of internal accounting controls.

The purpose of these systems and controls is to prevent companies from concealing irregular payments (bribes) and to discourage fraudulent accounting practices. The irregular payments (bribes) could be mischaracterized as:

- Commissions or royalties;
- Consulting fees;
- Sales and marketing scientific incentives or studies;
- Travel and entertainment expenses;
- Rebates or discounts;
- Miscellaneous expenses;
- Petty cash withdrawals;
- Free goods;
- Supplier/vendor payments; or
- Write-offs.

Consequently, all CEMEX personnel must be timely and accurate when preparing all CEMEX reports and records. No CEMEX legal entity, accounting record, or supporting document should be omitted or falsified in any manner which may obscure or disguise the true nature of the transaction or expenditure. Further, no undisclosed or unrecorded funds or accounts must be established or maintained for any purpose.

#### **XV. Policy Updates and Amendments**

CEMEX's Board of Directors delegates the authority to amend and update this Policy to the Corporate Legal Department, only when such amendments and updates are not material and do not alter the spirit of this Policy.

#### **XVI. Conclusions**

This Policy is provided to assist CEMEX personnel in avoiding any risks and in recognizing situations in which they should consult with the Compliance Area, Corporate Compliance Director, Regional Compliance Officers, Corporate Legal Department or Local Legal Department.

If a CEMEX employee believes that a project or practice would benefit CEMEX and its customers but might raise issues under Anti-Corruption Laws, they must contact the Local Legal Department, who can help determine whether the project would in fact be legal or identify ways to achieve the same objectives without risking violations of Anti-Corruption Laws or local laws.

CEMEX personnel are required to acknowledge receipt and understanding of these guidelines by signing and returning the enclosed Global Anti-Corruption Policy Acknowledgement Form, (which can be found in Appendix 2 hereto) or, if available, through electronic signature. A certification about this Policy and courses to prevent corruption may be required from time to time and will become a permanent part of the employee's personal record.

If any person has any doubts as to the content of this Policy, such person must contact the Compliance Area for guidance, which contact can be arranged through the Local Legal Department, Regional Compliance Directors or directly to the Corporate Compliance Director.

The official channels for reporting any actual or suspected breaches to this Policy or any Anti-Corruption Laws are the following: (i) ETHOSLine, via online (<https://www.tnwgrc.com/cemex/default.htm>), phone, or e-mail; (ii) Audit Committees; (iii) any ETHOS Group Member; (iii) Local ETHOS Committee Member, via phone, e-mail or in person; (iv) Local Legal Department; or (v) Corporate Legal Department.

## Appendix 1: Third Party Compliance Declaration

### Third Party Compliance Declaration

\_\_\_\_\_ (including its owners, partners, officers, directors, executives, employees, shareholders, parent companies and subsidiaries the "Company") is providing this letter to CEMEX, S.A.B. de C.V., its subsidiaries and affiliates, (together "CEMEX") to certify its commitment to comply with all applicable laws and CEMEX policies.

The Company, represents and certifies that they are familiar and agree to comply with CEMEX's:

- A. CEMEX Code of Ethics and Business Conduct "Our Code";
- B. Code of Conduct when doing business with us
- C. Global Anti-Corruption Policy;
- D. Global Anti-Money Laundering Policy

Note: These policies can be found in <https://www.cemex.com>

The Company certifies that the representations contained in this Third Party Compliance Declaration are true and complete with the intent that CEMEX rely upon them.

The Company further agrees that if future developments, including but not limited to a failure to comply with any of CEMEX's policies and standards referenced herein, cause the representations and certifications provided herein to no longer be accurate or complete and will promptly send CEMEX a written statement detailing the causes and extent of the changes.

**Will the supplier or third-party vendor act as an intermediary, attorney-in-fact, representative or agent on behalf of CEMEX?**

**YES** \_\_\_\_\_ **NO** \_\_\_\_\_

If the answer is **YES**, please provide a brief explanation:

\_\_\_\_\_  
\_\_\_\_\_

**Note:** This question must be answered by and under the responsibility of the Third Party's *authorized representatives*.

**Present date** (mm/dd/yyyy) \_\_\_\_\_

**Complete company name** \_\_\_\_\_  
(if applicable) \_\_\_\_\_

**Complete fiscal address** \_\_\_\_\_  
Number., street, city, state, zip  
code \_\_\_\_\_

**Complete name and current** \_\_\_\_\_  
**title** of the authorized  
representative \_\_\_\_\_  
(natural person, if applicable)

**Signature** of the authorized  
representative \_\_\_\_\_  
(natural person, if applicable)



**Appendix 2: Global Anti-Corruption Policy Acknowledgement Form**

**GLOBAL ANTI-CORRUPTION POLICY ACKNOWLEDGEMENT FORM**

I have read, understand and intend to abide by CEMEX’s Global Anti-Corruption Policy. If I have any questions or need further explanations regarding any item or subject covered in these guidelines, I shall contact the CEMEX’s Corporate Legal Department directly or through ETHOS Line. In the event I become aware of a potential or actual bribery/corruption problem, I shall immediately report the facts to the CEMEX’s Corporate Legal Department directly or through ETHOS Line

\_\_\_\_\_

Date

\_\_\_\_\_

Signature

\_\_\_\_\_

Name (print)

\_\_\_\_\_

Title/Position

\_\_\_\_\_

Location

### **Appendix 3: Government Interaction Tool Overview**

Before any interaction with Government Officials in which an expense, gift or hospitality will be made or given, all CEMEX personnel must obtain prior approval in our Government Interaction Authorization tool available at <https://governmentinteraction.cemex.com>

Interaction with Government Officials include, but is not limited to:

- The meetings which have a purpose of promoting CEMEX's products or the signature of an agreement or regarding any administrative process which implies the issuance or maintenance of a license, authorization or similar procedures.
- A meeting with a Government Official includes but is not limited to a meeting in CEMEX's offices or in the Government Official's offices, a business breakfast or lunch.
- Face to face meetings with politicians or Government Officials.
- Any communication with politicians, any authority body, or public relations campaigns aimed to impact a policy decision.

Unless prohibited by local law, CEMEX personnel must submit a written request through our Government Interaction Authorization tool including the following: (i) Employee information such as name of the employee submitting the request, position, business unit, region or country, and date of meeting; (ii) Meeting Information such as meeting purpose (described in detail), attendees, expense, gift or hospitality to be made; (iii) employees signature; and (iv) any other supporting information.

Once the authorization route has been followed and approved, CEMEX personnel should keep the Authorization Report as a supporting document for accounting purposes (e.g., in an expense report the Authorization Report should be submitted for the validation process of BSO). The Authorization Report should be the page of the Government Interaction Authorization tool with the corresponding authorizations granted.

## Anticorruption Global Policy – Internal Controls

- i. **Control 1: Handling of complaints received through any of the official channels set out in CEMEX’s Code of Ethics**

When the Corporate Compliance Director receives reports or complaints regarding “Bribery of Government Officials” sent through the official channels set out in CEMEX’s Code of Ethics and this Policy.

The Corporate Compliance Director is responsible for carrying out a confidential investigation and ensuring that proper and corresponding evidence is gathered. Findings and remediation recommendations will be presented quarterly to the ETHOS Group or the corresponding Local ETHOS Committee.

The VP of Process Assessment quarterly presents statistic and relevant information regarding cases to the Audit Committee.

<b>Audit support evidence</b>
<ul style="list-style-type: none"><li>• Corporate Compliance Director must keep a record of all the received reports or complaints.</li><li>• Corporate Compliance Director must document the investigation, relevant findings and recommendation for each case.</li></ul>

- ii. **Control 2: Government Interaction Authorization tool**

All CEMEX personnel must request corresponding authorizations for any interaction with Government Officials where an expense, gift or hospitality is to be made or given. According to Section V of the Policy, all aforementioned interactions must be requested through CEMEX’s Government Interaction Authorization tool. The approvers of such requests will be the immediate supervisor, Local Legal Department and the corresponding Functional Head.

All interactions with Government Officials where an expense, gift or hospitality is to be made or given that are not approved are prohibited and in violation with CEMEX’s Code of Ethics and this Policy.

Approved and executed Interactions with Government Officials where an expense, gift or hospitality has been made or given should comply with the corresponding accounting guidelines.

When documenting an expense, gift or hospitality made or given in an authorized interaction the expense report should be documented through the CONCUR tool. In the CONCUR tool, CEMEX personnel should chose concept No. 31 Attention to Government Officials; specify if it was an entertainment, travel, meal, gift or other kind of expense; attach the corresponding Authorization Report; and other supporting documentation.

BSO will perform a validation that all the expenses submitted under the concept No. 31 Attention to Government Officials comply with the aforementioned guideline. In case there are discrepancies, they will raise an incidence and will notify the CEMEX employee that submitted the expense report along with a notification to the Compliance Area.

The Compliance Area will be informed of the remediation activities for discrepancies and will have a matrix to follow-up all incidences’ status on a monthly basis.

If the CEMEX employee fails to remediate the discrepancies that raised the incidence within 30 calendar days after the cash advance and/or the credit card statement cut-off was received, BSO will instruct the payroll department to deduct from the CEMEX employee's next payroll payment or impose an alternative penalization if no deduction from payroll can be executed in such country.

<b>Audit support evidence</b>
<ul style="list-style-type: none"><li>• All expenses documented under concept No. 31 – Attention to Government Officials must be supported with the corresponding Authorization Report. (BSO)</li><li>• Monthly matrix of incidences raised and their status. (Compliance Area)</li></ul>

iii. **Control 3: Follow-up and update of the Global Anticorruption Policy**

The Compliance Area (Legal) in collaboration with the Regional Legal Directors, Regional Compliance Directors and Local Legal Departments should ensure the Policy is updated. This activity should be carried out and documented by the Compliance Area at least every 12 months.

<b>Audit support evidence</b>
<ul style="list-style-type: none"><li>• The Corporate Compliance Director will send the corresponding communications and coordinate, if necessary, the corresponding updates and approvals. (Compliance Area)</li></ul>

iv. **Control 4: Payments to government entities report**

BSO will obtain a report of payments made to vendors that are government entities, under the 092 (cero nine two) category in SAP. BSO must send this report to the Corporate Compliance Director on a monthly basis.

The Corporate Compliance Director will send the report to the Local Legal Department, who will be responsible for validating a sample of the most relevant payments are aligned and supported by the corresponding contract, local law, internal policies or justified accordingly.

The Local Legal Department is responsible for documenting justifications and confirming all payments. The Local Legal Department must send this report to the Compliance Area.

<b>Audit support evidence</b>
<ul style="list-style-type: none"><li>• The monthly report generated through SAP with all payments made to vendors under the 092 category. (BSO)</li><li>• Email sent by BSO to the Compliance Director with the generated report. (BSO)</li><li>• Email sent by the Compliance Director to the Local Legal Department with the report for validation. (Compliance Area)</li></ul>

v. **Control 5: Gifts and Hospitalities to other Third Parties (non-Government Officials) recipient or beneficiary control**

When CEMEX personnel submit an expense report or requests a reimbursement for a gift or hospitality for Third Parties, they should include a list of the names of the Third Party recipient(s) or beneficiary(ies) of the gift or hospitality behind the invoice. Additionally, they should state the reason

or business purpose for the gift or hospitality and attach any other supporting documentation that evidences the receipt of such gift or hospitality expense.

When submitting the expense report through the CONCUR tool, CEMEX personnel should chose the concept No. 30 - Entertainment (customer care, work meals or networking, events and gifts to third parties) and attach the corresponding authorizations.

BSO will perform a validation of all the expenses under the concept No. 30 - Entertainment have the corresponding requested information and attachments. In case there are discrepancies, they will raise an incidence and will notify the CEMEX employee that submitted the expense report along with a notification to their immediate superior and the Compliance Area.

The Compliance Area will be informed of the remediation activities for discrepancies.

If the employee fails to remediate the discrepancies that raised the incidence within the 35 calendar days after the cash advance and/or the credit card statement cut-off was received, BSO will instruct the payroll department to deduct from the CEMEX employee's next payroll payment or impose an alternative penalization if no deduction from payroll can be executed in such country.

<b>Audit support evidence</b>
<ul style="list-style-type: none"><li>• All expenses with the concept No. 30 - Entertainment must be supported with the corresponding authorization report. (BSO)</li><li>• Monthly follow up matrix of incidences raised and their status. (Compliance Area)</li></ul>