

## **Principles of Corporate Social Responsibility of CRH**

These Principles of Corporate Social Responsibility (hereinafter the “**CSR Principles**“) are a part of agreements concluded by the companies belonging to CRH Group, and having its seat in the Slovak Republic, in the position of an Owner (Danucem Slovensko a.s., ecorec Slovensko s.r.o., TransPlus (Slovensko) s.r.o., Premac, spol. s r.o., Ferrobeton Slovensko s.r.o.) (hereinafter the “**Owner**“) with their contractors (hereinafter the “**Agreement**“).

The Contractor means a contractual partner of the Owner in the position of a seller, contractor, service provider, carrier, operator of transport or mechanisation means, lessor, consultant, intermediary, representative or any other entity, with whom the Owner has concluded an agreement, which also includes these CSR Principles (hereinafter the “**Contractor**“).

### **Basic Ethical Principles**

The Contractor acknowledges that the entrepreneurial activities of the Owner, including contractual relationships, are governed by the Code of Business Conduct, Supplier Code of Conduct and Anti-Bribery Policy published on the web site <https://www.danucem.com/sk/sustainability/ethical-behavior-and-management>, which the Contractor has read and undertakes to comply with as they may be amended from time to time.

The Contractor undertakes to adhere to good ethical practices as set out in the Code of Business Conduct and, in particular, undertakes: (i) to support protection of human rights, (ii) to respect freedom of association and right to collective bargaining, (iii) to prohibit all forms of forced, compulsory or child labour, (iv) to apply principles of equal opportunity in respect of recruitment and selection of employees, (v) to proceed in line with health & safety best industry practice, (vi) to support proactive approach to environmental challenges, and (vii) to co-operate with the Owner in the field of anti-bribery and anti-corruption.

If the Contractor is in the position of a business partner as defined in the Anti-Bribery Policy (business consultant, sales agent, intermediary, sales distributor, lobbyist) or in any similar position that includes any authorization to act on behalf of the Owner, the Contractor is not authorized to engage third parties to perform the Agreement without consent of the Owner provided in advance in writing.

The Contractor also undertakes to comply with all relevant laws relating to the protection of human rights, anti-slavery, health, safety, environment, anti-bribery, anti-corruption and money laundering laws (*including the UK Bribery Act, US Foreign Corrupt Practices Act and laws regulating the use of minerals from the conflict-affected areas, if applicable*).

### **Illegal Work**

The Contractor undertakes to comply with all obligations arising from the legislation prohibiting illegal work, including Act No. 82/2005 Coll. On Illegal Work and Illegal Employment, and in particular to secure that the Contractor supplies the works and services under the Agreement exclusively by persons who are not illegally employed.

### **Guarantee for VAT**

With respect to the provisions of Act no. 222/2004 Coll. on Value Added Tax (hereinafter the “**Act on VAT**“) stipulating purchaser’s guarantee for VAT stated in the supplier’s invoice and for the purpose of monitoring and evaluation of risk in the business partners, the Contractor, if having its seat in SR:

- (a) hereby declares that as of the day of execution of the Agreement there are no reasons whatsoever upon which the Owner as the purchaser of goods would become the guarantor for any unpaid tax of the Contractor as the supplier of goods in terms of Section 69 (14) in connection with Section 69b of the Act on VAT;
- (b) declares that the Contractor has no tax arrears and there are no reasons for a potential cancellation of the Contractor’s VAT registration in particular in terms of Section 81 (3) paragraph b) the second item of the Act on VAT and the Contractor is not included in the list of entities with reasons for

cancellation of VAT registration in terms of Section 81 (3) paragraph b) the second item of the Act on VAT maintained by the Financial Directorate of the Slovak Republic (hereinafter the “**Blacklist**”); (c) and to inform the Owner in writing of any reasons that could cause that the Owner could become guarantor for any unpaid tax of the Contractor or could cause cancellation of VAT registration of the Contractor in particular in terms of Section 81 (3) paragraph b) the second item of the Act on VAT within 3 days upon occurrence of the situation in question and to inform the Owner of the fact that the Contractor is published in the Blacklist and to state the day of publishing no later than within 3 days upon occurrence of the aforesaid situation.

The Contractor declares that each of its bank accounts specified in the Contract is notified to the Financial Directorate of the Slovak Republic in accordance with § 6 of the Act on VAT as an account used for business. In the event that the Owner finds that this declaration of the Contractor is untrue, the Owner is entitled to split the payment for supplies, paying VAT directly to the tax administrator's account number kept for the Contractor, which is published on the website of the Financial Directorate of the Slovak Republic. The Contractor is obliged to report to the Owner any change that concerns the accounts specified in the Contract.

### **International Trade Sanctions**

The Contractor, with respect to its obligations under the Agreement, undertakes to comply with the relevant laws related to international trade, in particular, the laws on export and import control and economic sanctions, embargoes or restrictive measures issued and/or imposed by the Slovak Republic, the European Union and its bodies, the UN Security Council, the US Treasury Department's Office for Foreign Assets Control (OFAC), the US Department of State and HM treasury of the United Kingdom prohibiting trade with certain countries, territories, entities and individuals. The Contractor represents that it is neither (i) a sanctioned person by any of the above mentioned regulatory authorities, (ii) a person domiciled or resident in a country or territory subject to economic sanctions imposed by any of the above mentioned regulatory authorities, nor (iii) an administrative or executive body, agency, representative or other entity or individual, directly or indirectly owned or controlled by or acting on behalf of a person or entity under clauses (i) and/or (ii).

### **Breach of the CSR Principles**

The Contractor undertakes to comply and register with the relevant assurance processes, if and as required by the Owner, before the first invoice, as set out in the link [www.beroeinc.com/kys/crh-enterprise/](http://www.beroeinc.com/kys/crh-enterprise/). The Owner confirms that the appointment of the Contractor was made based on the assumption that none of the above-mentioned rules will be violated.

The Contracting Parties agree that any breach by the Contractor of any obligation contained in these CSR Principles shall be deemed a material breach of the Agreement entitling the Owner to terminate the Agreement or a part of it at any time and with immediate effect. The Owner is authorised to such termination of the Agreement, in particular, but not exclusively, in cases of breaches concerning the Contractor's publication in the Blacklist and/or the occurrence of the Owner's liability for any tax not paid by the Contractor.

The Contractor undertakes to compensate to the Owner in full any damage suffered by the Owner in case of any breach of the obligations stipulated in these CSR Principles. The Contractor shall indemnify the Owner, in particular but not exclusively, for any damage suffered by the Owner being obliged to pay any penalty or other sanction or any additional or other payment, due to the Contractor having breached any of its obligations following from the Agreement, including these CSR Principles, and/or from generally binding legal regulations.

The Contractor agrees to fully co-operate with the Owner in investigation of any breach of the above-mentioned rules, and, in particular, to provide to the Owner the information, certification of origin of goods and other documents, access to the premises and/or satisfactory explanation regarding compliance of the supplies of goods and/or provision of services under the Agreement with the obligations included in these CSR Principles.