

ANTI CORRUPTION AND BRIBERY POLICY

1. INTRODUCTION AND POLICY OBJECTIVE

1.1. Farrans Construction (hereinafter known also as “the Company”) is committed to the highest level of legal, ethical and moral standards as set out in the CRH Code of Business Conduct. This Anti Corruption and Bribery Policy amplifies the principles set out in the Code and is intended to ensure compliance with all relevant laws regarding bribery and corruption, including specifically, the UK Bribery Act (2010) (hereinafter known as “the Act”) which affects business dealing anywhere in the world. The Policy should enable employees to recognise the potential areas of concern, avoid prohibited conduct and promptly seek guidance when necessary so that both the Company and its employees are protected from the legal and reputational consequences of bribery and corruption violations.

2. STATEMENT OF POLICY

2.1. The Company does not tolerate any form of corruption or bribery. All employees and all those acting on behalf of the Company are strictly prohibited from offering, paying, soliciting or accepting bribes. External and internal bribery risk will be regularly and systematically assessed and adequate risk based procedures, aimed at preventing corruption and bribery, implemented.

2.2. The highest possible standards of personal honesty and integrity are expected from the Company’s senior managers, officers, directors, employees (whether permanent, fixed term or temporary) consultants, sub-contractors, business partners, agents, suppliers, customers, distributors or any other related parties. Under the Act these parties are referred to as “associated persons”.

2.3. The Policy should be read in conjunction with the following documents:-

- **CRH Anti Bribery Policy**
- **CRH Code of Business Conduct**
- **CRH Procurement Code**
- **Farrans Business Ethics Statement**
- **Farrans Gifts, Hospitality and Promotional Expenditure Policy**

3. DEFINITION OF BRIBERY

3.1. Bribery is defined in the Act as the offering, giving, soliciting and acceptance of an inducement or reward, which may influence a person to act unethically.

3.2. Bribes often involve monetary payments or the promise of such payments but can include other benefits or advantages, including but not limited to any of the following:

- gifts and hospitality, particularly where they are disproportionate, secret, frequent or made in the context of business negotiations.
- product discounts or credits that are disproportionate and not readily available to the general customer base.
- not paying for use of Company services or facilities.
- political or charitable donations made to a third party linked to or at the request of a customer.
- employment, business or investment opportunities.
- personal favours.
- the writing off of a debt.

3.3. The Act contains two general offences. One is promising or giving a bribe and the other is requesting, agreeing to receive or receiving a bribe. There is also a specific offence covering bribery of a foreign public official and a corporate offence for failure by a company to prevent a bribe being paid on its

behalf by its employees, agents or other associated persons. The only defence for companies charged under the latter offence is that they have “adequate procedures” in place to prevent bribery.

4. CONSEQUENCES OF CORRUPTION, BRIBERY, AND DISCIPLINARY ACTION

4.1. Any breach of the Act by the Company, its employees or any other associated persons may result in:-

- significant fines
- negative publicity and related reputational damage which may lead to removal from government tender lists and other adverse commercial implications.

4.2. Any employee who fails to comply with the Policy and/or the Act may also be subject to:-

- disciplinary action which may include dismissal; and
- criminal penalties under the Act which may include a fine and/or imprisonment for up to 10 years.

4.3. Any other associated person who fails to comply with the Policy and/or the Act may be subject to:-

- criminal penalties under the Act which may include a fine and/or imprisonment for up to 10 years.
- immediate termination of any commercial relationship with the Company.

5. RESPONSIBILITIES

5.1. It is the responsibility of all those listed in 2.2 above to read, understand and comply with the Policy which also includes the prevention, detection and reporting of bribery and other forms of corruption. This means avoiding of any activity that might lead to, or suggest, a breach of the Policy.

5.2. It is the responsibility of all those listed in 2.2 above to notify a senior member of the Company's management team or the Northstone Anti Bribery Compliance Officer as soon as possible if it is believed or suspected that a breach of the Policy has occurred or may occur in the future. Alternatively, the CRH Hotline number 0800 028 57 07 (United Kingdom) or 1800 553 772 (Republic of Ireland) can be used if deemed appropriate.

5.3. No employee will suffer demotion, penalty or other adverse consequences for refusing to pay bribes or refusing to participate in other corrupt practices even if it means the loss of business to the Company.

5.4. The Company Board of Directors, led by the Chief Executive, has overall responsibility for ensuring the Company complies with its legal and ethical obligations, and that all those under their control comply with the Policy.

5.5. The Anti Bribery Compliance Officer has primary day to day responsibility for implementing the Policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation.

5.6. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand the Policy and that adequate and regular training is delivered to them as required.

6. WHAT IS NOT ACCEPTABLE?

6.1. In addition to the items listed in 3.2 above, it is not acceptable for an employee or any other associated person to:-

- give, promise to give or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- give, promise to give or offer, a payment or gift or hospitality to a public foreign official, agent or representative to “facilitate” or expedite a routine procedure; (see 7.3. below).

- accept payment from a third party if it is known or suspected to have been offered with the expectation that it will obtain a business advantage for them;
- accept a gift or hospitality from a third party if it is known that it is offered or provided with the expectation that a business advantage will be provided by the Company in return;
- threaten or retaliate against another employee or any other associated person who has refused to commit a bribery offence or who has raised concerns with management under the Policy;
- engage in any activity that might lead to a breach of this Policy or is in contravention of the law or acceptable ethical standards.

7. FACILITATION PAYMENTS

7.1. Facilitation payments, otherwise known as “grease payments” or “kickbacks”, are typically small, unofficial payments made to secure or expedite a routine action by a government or public official. Examples include the issuing of a permit, licence, consent or immigration visa, scheduling an inspection associated with contract performance, providing services or releasing goods held in customs.

7.2. Typically the consequence of not paying can be out of all proportion to the small payment demanded. Depending on the jurisdiction these payments may be more or less common.

7.3. CRH, Northstone, and Farrans prohibit facilitation payments. The only exception to this rule is that a payment may be made where the life, safety or health of an individual is threatened. Full details of such payments must immediately be reported to management.

7.4. A payment of a fee for the use of a recognised legitimate, fast track procedure which is open to all is **not** considered to be a facilitation payment. A receipt for such payment should always be requested.

8. GIFTS AND HOSPITALITY

8.1. Gifts and hospitality remain a legitimate part of conducting business and should be received or provided only in compliance with the Company’s Gifts, Hospitality and Promotional Expenditure Policy.

8.2. It is prohibited to offer or receive gifts or hospitality that could influence or be perceived to be capable of influencing the outcome of transactions or decisions relating to the Company’s business.

8.3. The following general principles apply to gifts and hospitality:-

- the value of gifts and hospitality, whether given or received, should be proportionate to the matter to which they relate and should not be unusually generous
- gifts and hospitality to or from relevant parties should be generally avoided at the time of tendering for or the award of contracts
- cash must **NEVER** be given or received as a gift under any circumstances
- gifts and hospitality must neither be given or received as rewards, inducements or encouragement for preferential treatment or inappropriate or dishonest conduct
- gifts and hospitality must not be actively sought or encouraged from any party, nor should the impression be given that the award of any business, custom or conduct will be in any way conditional on gifts or hospitality
- gifts and hospitality, whether given or received, should be recorded in accordance with the Company Gifts, Hospitality and Promotional Expenditure Policy

9. POLITICAL CONTRIBUTIONS, CHARITABLE AND COMMUNITY DONATIONS

9.1. Political Contributions

Political contributions include any contribution, made in cash or kind, to support a political cause. Contributions in kind can include gifts of the use of company property or services, advertising or promotional activities endorsing a political party, the purchase of tickets to fundraising events or the use of employees' time to assist with political campaigning.

The laws governing political contributions vary in different parts of the world. In some jurisdictions corporations, government contractors and/or those who employ lobbyists are prohibited from making political contributions; in others such amounts must be disclosed publicly. **Farrans and its employees should not make political contributions to or through political parties, organisations or individuals engaged in politics, as a way of obtaining advantage in business transactions.** Where a political contribution is deemed to be appropriate, not given as a means of obtaining business advantage and supports the democratic process, the relevant Divisional Managing Director may, subject to the relevant law, give written approval for such a contribution. All such relevant expenditure should be documented, receipted and recorded.

9.2. Charitable and Community Donations

Farrans encourages active participation by its divisions and employees in charities and local community endeavours, in the form of monetary and other assistance. It is recognised that practices vary across countries and regions. Any donation must comply with, as a minimum, the rule that it **must only be made for bona fide charitable or public relations reasons and never when there is or may be a potential conflict of interest or possibility that the donation could be used as a concealment for bribery.**

10. ENGAGING THE SERVICES OF A BUSINESS PARTNER

10.1. It is normal business practice to engage the services of business partners such as sales agents, distributors, business consultants, sub-contractors, lobbyists and other partners to act on behalf of companies to assist in securing, preparing or negotiating bids for new contracts or the extension of existing contracts when it is necessary and appropriate to supplement existing experience in given markets or subject areas.

10.2. In order to protect Farrans from any association with illegal or corrupt payments or the risk of such payments being made on behalf of Farrans, it is Company policy that:-

- suitable and sufficient due diligence procedures must be undertaken to ensure such business partners share the Company commitment to ethical business standards
- written arrangements containing the CRH anti bribery provisions are put in place (as set out in the CRH Anti Bribery Policy)
- all payments made to business partners are in accordance with the contract agreed and signed by the Company

10.3. A business partner will only be engaged on completion of anti bribery due diligence by the Company in accordance with the perceived level of risk associated with the business partner concerned and his/her location, reputation and behaviour.

10.4. The compliance of business partners with the Company Anti Corruption and Bribery Policy will be kept under review after engagement.

11. MONITORING AND REVIEW

11.1. The Anti Corruption and Bribery Compliance Officer, who is Jim Leitch (Human Resources Director), will regularly monitor the effectiveness and review the implementation of the Policy in relation to its suitability, adequacy and effectiveness.



J. Wilson
Managing Director

31st January 2020
Date