



# COMPLIANCE MANUAL TRANSPARENCY AND BUSINESS ETHICS PROGRAM

<b>Code</b>	GR - MA - 02	<b>Version</b>	2	<b>In force since</b>	17/11/2022
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## 1. PURPOSE

The Compliance Manual of the Transparency and Business Ethics Program, is established in accordance with Article 2 of Law 1778 of February 2, 2016, External Circular 100-000003 of July 26, 2016 and Resolution 100-006261 of October 2, 2020 and their modifications (hereinafter, the "Anti-Bribery Law or Act"), and aims to implement in **Derco Colombia S.A.S.** (the "Company") in an effective manner, a form of organization and processes to prevent the conduct of transnational bribery and any other corrupt practice on the part of: (i) its employees , senior managers and associates (ii) contractors (hereinafter respectively the "Collaborators" and "Contractors").

The design and implementation of the Transparency and Business Ethics Program (hereinafter, the "TBEP" or the "Program"), reflects the Company's organizational commitment to avoid bribery, and transnational bribery in particular; and any other corrupt practice, committed directly and immediately in the interest or for the benefit of the Company. For the same reason, this program is testimony that, in the event that any of the Employees incurs in this conduct, not only contravenes the culture of corporate integrity of the Company, but also that such events took place despite the efforts made by the Company to avoid it.

To deter this behavior, the Company, through the TBEP, identifies, quantifies, and controls the inherent risks to its corporate purpose and operation. Likewise, it focuses on the timely detection of these risks and on the continuous improvement of the respective processes; thus, mitigating the probability of occurrence of the risk of committing crimes.

Finally, through the design, implementation and supervision of the TBEP, the Company seeks to comply with the management and supervision duties imposed by law.

## 2. SCOPE

The TBEP considers the crime of transnational bribery and any other corrupt practice to strengthen the corporate anti-corruption culture based on the principles of integrity and consistency.

The TBEP is applicable to Employees in general, even if their contractual relationship is temporary. Additionally, this Program will be made available to Contractors and any other



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third party required to apply this Program by Law, to comply with it in their relations with the Company.

### 3. DEFINITIONS

The following are some definitions of terms that used in this document:

- **Senior Management:** These are the persons appointed to manage and direct **Derco Colombia S.A.S.**, whether they are members of collegiate bodies or individuals.
- **Associates:** Are individuals or companies who have made a contribution in money, work or other assets that can be valued in money to **Derco Colombia S.A.S.**, in exchange for quotas, parts of interest, shares or any other form of participation contemplated by Colombian law.
- **Compliance audit:** It is the systematic, critical, and periodic review of the proper execution of the Transparency and Business Ethics Program.
- **Channel of consultation and complaints:** Means provided by the Company to receive inquiries and complaints, enabled 24 hours a day, 7 days a week, and free of charge. These means are accessible: through the website [www.ethicspoint.com](http://www.ethicspoint.com) or by calling the following telephone number: 01800-9-155860 (Colombia).
- **Contractor:** Refers, in the context of an international business or transaction, to any third-party providing services to a Legal Entity or having with it a contractual relationship of any nature. Contractors may include, among others, suppliers, intermediaries, agents, distributors, advisors, consultants, and persons who are party to collaboration or risk-sharing contracts with the Legal Entity.
- **Due diligence:** Periodic review of the legal, accounting, and financial aspects related to an international business or transaction, its purpose is to identify and evaluate the risks of Transnational Bribery that may affect a Legal Entity, its Subordinate Companies and Contractors. With respect to Contractors, it is also suggested to carry out a verification of their good credit and reputation. In no case shall the term Due Diligence in this document refer to due diligence procedures used in other risk management systems (e.g., money laundering and terrorist financing), which are governed by different rules.



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- **Employee:** Is the individual who undertakes to render a personal service under subordination to **Derco Colombia S.A.S.** or any of its Subordinate Companies, in exchange for remuneration.
- **Transparency and Business Ethics Program Compliance Manual:** This document includes all the elements of **Derco Colombia S.A.S.**' TBEP. that allows the Company to identify, detect, prevent, and mitigate the risks of Transnational Bribery.
- **Law 1778 or Anti-Bribery Law:** It is Law 1778 of February 2, 2016.
- **Compliance Officer:** The natural person appointed by the Senior Management of **Derco Colombia S.A.S.** to lead and manage the TBEP which includes a Transnational Bribery Risk Management System.

## 4. LEGAL FRAMEWORK

### 4.1. Corruption

Corruption, in general, is the willingness to act dishonestly by abusing the power entrusted by the Company in exchange for bribes or personal benefits, either directly or indirectly and unfairly favoring third parties against the Company's interests. Corruption not only creates unfair competition between companies but also limits the path to organizational efficiency and personal integrity.

### 4.2. Types of corruption

There are two types of corruption which depend on who obtains the benefit derived from the act of corruption, that is:

- **Private corruption:** When the benefit is for a natural person.

- **Corporate corruption:** When the benefit is for a company/institution.

To facilitate the understanding of the events that may be considered corruption, this Manual classifies corruption into: Conflicts of Interest and Bribery.

#### 4.2.1. Conflict of Interest



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Conflicts of interest occur when the private interest of a direct officer or Contractor of the Company prevails over the interest of the Company when making a decision or carrying out an action. Therefore, the person or third party involved would obtain an illegitimate advantage to the detriment of the Company's interests.

Conflicts of interest are not only limited to the direct officers of the Company but apply to all those persons or entities that represent the interests of the Company, including: Suppliers, Contractors, subcontractors, partners, and their employees.

For the Company, conflicts of interest are regulated in 4 documents, namely:

- (i) Law 734 of 2002: Pursuant to Article 40 of the Unique Disciplinary Code (Law 734 of 2002):

"All civil servants must declare themselves impeded from acting in a matter when they have a particular and direct interest in its regulation, management, control or decision, or their spouse, permanent partner, or any of their relatives within the fourth degree of consanguinity, second degree of affinity or first civil degree, or their partner or partners in fact or in law.

When the general interest, proper to the public function, conflicts with a particular and direct interest of the civil servant, they must declare themselves impeded".

- (ii) **Code of Ethics:** In addition to the provisions of the above documents, for the Code of Ethics, there are conflicts of interest that do not depend on the degrees of consanguinity and affinity, such as de facto and de iure partnerships, which may also constitute a conflict of interest, some examples are: friends, partners, associates, compadres, among others.

Conflicts of interest are considered acts of corruption when they are concealed or not disclosed, based on the above, all Company officers must:

- Not to make decisions on the particular situation of the conflict of interest.
- Declare themselves impeded.
- Report the potential conflict of interest to their immediate superior and/or the Compliance



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Officer, who shall evaluate the particular situation and make a decision on the matter.

- Consult and apply the Conflicts of Interest Manual.

If you are an immediate superior of an official and a conflict of interest is reported to you, you must:

- Analyze the situation and determine, if indeed the situation raised is a conflict of interest.
- Make decisions to avoid or settle the conflict, respecting the employee's right to work and the other party.

If it is not clear whether a conflict of interest exists in a situation, you must consult with your immediate superior or the department in charge within the Company through the channels for queries and complaints.

#### 4.2.2. Bribery and Transnational Bribery

A bribe can be an offer, payment, promise of future delivery or request for anything of value such as: money, gifts, payment authorizations, information, employment, scholarships, discounts, cancellation or payment of debts, entertainment, travel expenses, insurance, taxes, or payments in general. It, also, includes any type of benefit, whether goods or services in kind in exchange for a particular advantage for a third party.

It is possible to be immersed in a bribery situation when a proposal to unduly benefit a public servant or foreigner is solicited or accepted in exchange for an immediate or future benefit.

A bribe that is requested or accepted by direct officers of the Company or any person or entity that represents it, such as: Suppliers, Contractors, subcontractors, partners and their employees, is considered a corruption event.

The following may be considered as bribe payments, including but not limited to them::

- Money, securities
- Political contributions in cash or in kind
- Donations to charities or public charities in cash or in kind



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- Payment or reimbursement of travel expenses
- Offer of employment
- Discounts
- Payment of public or private services
- Partial payments, cancellation or forgiveness of debts
- In-kind services (painting, electricity, consulting)
- Gifts
- Commissions and/or discounts
- Scholarships
- Entertainment (e.g. meals, tickets to events and shows, etc.)
- Improvements to real or personal property owned by the government official or their family members
- Payment for personal and/or professional services for the benefit of a staff member or their family members
- Telephones/Cellular phone plans

Some gifts, presents and/or hospitality may be considered bribes depending on the context.

If you face a situation where you must determine whether it is appropriate or ~~appropriate~~ to receive a gift, present or attention, ask yourself the following questions:

- Is it the intention to show kindness or is it done to influence a decision?
- Could the gift constitute an obligation for you towards the third party?
- Would you be embarrassed if your co-workers find out that you received the gift?
- If the same gift is offered to a colleague, how would you view it?
- Would you offer such gifts without expecting anything in return?

The answers to the above questions will guide you in the particular situation.

Bribes must be firmly rejected and must be brought to the attention of the area in charge within the Company, through the channels for queries and complaints.

### 4.3. Economic extortion

Economic extortion is understood as any act of bending the will of an official accompanied



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by force and/or intimidation, to obtain a benefit from the Company for oneself or for a third party; in this sense, the Company rejects any extortive act, which generates criminal sanctions regulated in Law 599 of 2000, the Colombian Criminal Code.

#### 4.4. Applicable regulations

Corruption is regulated through national and international laws.

The main Colombian regulation in this area is the Anti-Corruption Statute (Law 1474 of 2011) and other complementary decrees.

#### 4.5. Actions that constitute acts of corruption

##### 4.5.1. In contracting

One of the processes most impacted by corruption is contracting. The following are the main examples of improper typologies for this process:

- (i) In the preparation:
  - a. Contract addressing based on the technical specifications.
  - b. Manipulating the information or conditions of the purchase/contracting need to be awarded to one or several third parties in particular.
  - c. Purchases or contracting of services for values that are not in line with actual market values.
  - d. Leaking or manipulating sensitive technical information for a third party's own benefit.
- (ii) In the selection of the contractor:
  - a. Addressing the type of Contractor selection process.
  - b. Addressing the Contractor to be selected



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- c. Influencing the bid evaluation process or adjusting the results to favor one of the participants.
- d. Selection of suppliers by direct contracting without sufficient justification.
- e. Manipulate the type of selection process
- f. Fractionation of contracts
- g. Awarding contracts in exchange for favors or personal benefits.
- h. Leaking or manipulating sensitive technical information for one's own or a third party's benefit.

(iii) In the execution of the contract

- a. Lack of control over changes in specific activities during the execution of the contract or project that is the subject of the contract.
- b. Requesting or receiving participation, profit or bribe from the contractor.
- c. Leaking or manipulating sensitive technical information for one's own benefit or for the benefit of a third party.
- d. Manipulating contract or project progress reports to expedite a payment.
- e. Influencing the conclusions of third-party contract supervisors by concealing or manipulating relevant contract or project information.
- f. Receiving or requesting gifts or gratuities from contractors or suppliers.
- g. Payment for goods or services that have not been received or do not comply with the technical specifications agreed upon in the contract.





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### 4.5.2. Facilitation payments

These are payments made to secure or expedite routine and legal proceedings with civil servants. Such acts are prohibited by the Company, even if they are of a minor amount. These payments may be:

- (i) Payments to expedite or facilitate obtaining an operating or environmental license.
- (ii) Payments to influence a judicial decision.
- (iii) Payments to Influence a customs broker to issue permits or deliver goods detained in a customs office.
- (iv) Payments to avoid a tax audit.

### 4.5.3. Political contributions

Political contributions include any contribution, in cash or in kind, made for the purpose of supporting a political cause. In-kind contributions may include gifts of goods or services, advertising or promotional activities that support a political party, the purchase of tickets to fundraising events, and contributions to research organizations linked to a political party.

Neither direct nor indirect contributions must be made to political parties, organizations or individuals involved in politics, in exchange for obtaining advantages in transactions of a commercial nature.

Among the payments considered political contributions are the following:

- (i) Authorizing and paying political contributions in favor of any political candidate or current member of the government in exchange for a future benefit.
- (ii) Authorizing the contracting of a company chaired by a government official or their relatives.
- (iii) Authorizing and granting employment to a government official or their relatives in exchange for obtaining any benefit in favor of the Company.



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- (iv) Authorizing and paying donations in cash or in kind to sponsor the launching of a book, study developed by a government official or activity that could increase their professional reputation as an official or political candidate.
- (v) Authorizing and paying for the improvement of land or easement that adjoins a property owned by a government official or any of their relatives. In the case of constructions or improvements required for the viability of the Company's operation or projects, the reasons why it is necessary to carry out this activity must be justified.
- (vi) Authorizing and paying a commission or a higher value in a commercial purchase and sale transaction with the intent to influence or corrupt a government official.

#### 4.5.4. Diversion of monies from social investment activities and/or sponsorships

The Company must constantly monitor the final destination of resources to ensure that the social investment made by the Company complies with its social responsibility and/or that sponsorships are not used as a subterfuge to bribe or commit acts of corruption.

The fact that these improper payments or benefits are made through a third party does not exonerate the Company from any liability whatsoever.

#### 4.5.5. Other types of corruption

Other corruption schemes are listed below:

- Requesting or receiving any type of bribe.
- Failure to report a conflict of interest in a timely manner.
- Leaking or manipulating any type of secret or restricted information. Abuse your position as an employee of the Company to obtain any type of benefit for its own benefit or for a third party's benefit.

### 5. TRANSPARENCY AND BUSINESS ETHICS PROGRAM

The TBEP establishes an organizational structure; resources; policies; roles and their responsibilities; processes and procedures, which aim to prevent, detect, and correct situations that have the potential to become a violation of the Anti-Bribery Act.



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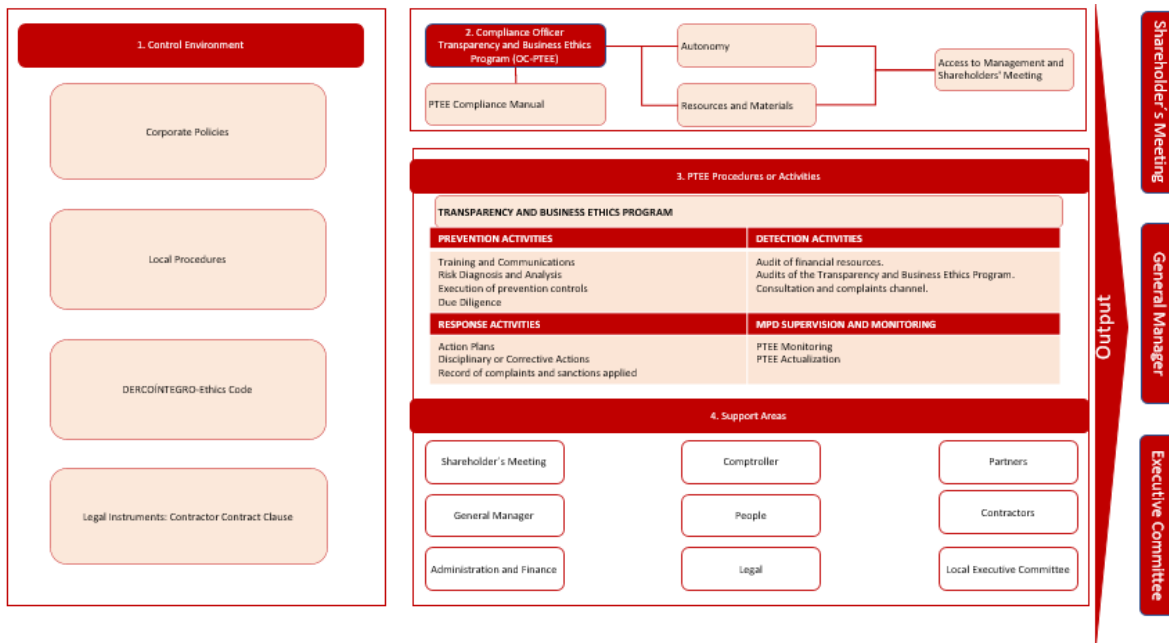
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Responsibility for the implementation and maintenance of the TBEP rests with the Shareholders Meeting, and, the Company's Chief Executive Officer (hereinafter the "CEO" and their position, the "CEO") and the Company's TBEP Compliance Officer (hereinafter the "CO-TBEP" and/or Compliance Officer).

According to the Law, the TBEP must consider at least the following elements:

- (i) Senior Management Commitment to the Prevention of Transnational Bribery
- (ii) Assessment of risks related to Transnational Bribery
- (iii) Compliance Officer
- (iv) Due Diligence
- (v) Channel for consultations and complaints.
- (vi) Disclosure of the Compliance Policies and Business Ethics Program.
- (vii) Communication channels

The following is a graphic representation of **Derco Colombia S.A.S.'s** TBEP:



TBEP Derco Colombia S.A.S.



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### 5.1. Control environment

The effectiveness of the TBEP is strongly dependent, among other factors, on the existence of a control environment within the Company. Among the fundamental elements that contribute to the existence of a strong control environment within the Company, the following stand out, but are not limited to, the following:

#### 5.1.1. Legal instruments

manifestation of the control environment are the legal and labor instruments that the Company must develop to execute the TBEP in its relationship with Employees and third parties, formally informing them of the obligations they must comply with in accordance with the same. This includes, but is not limited to:

- (i) Inclusion of this TBEP Compliance Manual to labour contracts with all employees through an addendum and adjustment to the labour, apprenticeship, internship, and temporary contracts (EST).
- (ii) Inclusion of a contractual clause related to compliance with the Law with Contractors that have a high level of exposure to the risk of Transnational Bribery, which must include at least:
  - The Contractor's express statement that it has been informed by the Company of its obligation to comply with the rules related to the prevention of Transnational Bribery and that it is aware of the company's TBEP, as well as the consequences of violating it; and
  - The inclusion of clauses allowing the unilateral termination of the contract, as well as the imposition of significant economic penalties when a Contractor incurs in conducts related to Transnational Bribery.
  - The possibility that the Company may advance with the consent of the contractor, due diligence procedures aimed at determining how the latter complies with the obligations to prevent transnational bribery.

#### 5.1.2. Related policies

Considered all the policies that govern the Company, which provide the guidelines that



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seek to prevent those conducts established in the TBEP, such as the following corporate policies:

1. Remuneration and incentives.
2. Rebates and Incentive Management for the Automotive Channel (completed January 2021).
3. Payment to domestic and foreign suppliers. International travel.
4. Domestic travel
5. Donations and/or sponsorships and auspices
6. Document management procedure that describes the filing and preservation of documents of all international business or transactions of **Derco Colombia S.A.S**
7. Receipt and delivery of gifts and invitations.

Among others that may arise.

### 5.2. TBEP procedure or activities

The TBEP is developed through four types of activities that seek to materialize its operation and execution. These activities are:

3. Procedures or activities of TBEP	
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PREVENTION ACTIVITIES	DETENTION ACTIVITIES
Training and communications Risk diagnosis and analysis Execution of preventive controls Due diligence	Audit of financial resources Audit of the transparency and business ethics program. Channel for consultations and complaints
RESPONSE ACTIVITIES	SUPERVISION AND MONITORING
Action plans disciplinary or corrective actions record of complaints and sanctions applied	TBEP Monitoring TBEP Update



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### 2. TBEP Activities

#### 5.2.1. Prevention activities

The objective of these activities is to avoid non-compliance of the TBEP and its related policies and procedures, to prevent the commission of the conducts against the Law. These activities are:

##### 5.2.1.1. Training and Communications

For an effective implementation of the TBEP, it is essential that all employees know the scope of the Law, as well as the content and scope of the TBEP, its controls and procedures.

In order to ensure that all Employees are duly informed, in addition to the provisions incorporated in the Code of Ethics/Derco Íntegro; the CO-TBEP, along with the People Management, as appropriate, shall ensure the following:

- (i) The construction, formalization, and implementation of a mandatory annual training plan regarding the TBEP and the Law, in person or via remote education by audiovisual means such as: E-learning, intranet, videos, gamification or other non-face-to-face mechanisms. This training must be for all workers once the model is implemented, and in the following years it must be done annually at least for the Company's leaders so that they can spread the model to their team.
- (ii) The inclusion of TBEP-related subjects in the induction programs for new employees.
- (iii) The CO-TBEP shall keep records of training attendees, duly signed by the participants if in person and/or proof of registration if via E-learning, intranet, videos, gamification, or other non-face-to-face mechanisms.
- (iv) The design and implementation of a communication strategy to disseminate the TBEP, which is addressed through the TBEP training and the DercoIntegro communication plan.
- (v) The dissemination and training of the whistleblower system (Consultation and



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Whistleblower Channel) and its essential characteristics (Whistleblower Procedure), with special emphasis on the guarantee of anonymity, confidentiality, and non-retaliation, as well as the knowledge and dissemination of the corporate policy for managing these reports.

Extending, if possible, to Contractors, for which the company may promote training on the prevention of Transnational Bribery to their relevant officials. Diagnosis and Risk Analysis.

The CO-TBEP is responsible for managing the process of identification, analysis, and evaluation of the risk of committing the conduct against the Law by the respective owners of each risk, which are the first level division managers. These risks shall be reflected in a matrix (hereinafter the "TBEP Risk Matrix"), which shall be reviewed when relevant changes occur in the regulation or in the structure, processes, or business of the Company, or when red flags are raised, or events of a criminal nature or eventually constitutive of transnational bribery and any other corrupt practice are discovered, which require investigation.

For the preparation and updating of the Regulatory Risk Matrix, the ISO 31000 (the International Organization for Standardization) methodology shall be used (hereinafter "ISO 31000"), a standard that uses probability and impact parameters. The probabilities of occurrence and impact are multiplied to come up with an inherent risk score. The risk diagnosis described above will include a risk identification process that requires the participation of various levels of the Company, with whose collaboration the CO-TBEP must prepare and, if necessary, update the processes in which a risk of committing the behaviors indicated in the law may be generated. This process consists of the following stages:

#### a) Risk identification:

The determination of the main risk scenarios for the commission of the conducts against the Law, and the exposed charges, will be made by means of interviews with the owners of the Company's processes, who are first level managers considering those that can be reasonably anticipated as risky; and as high probability of occurrence risk factors, as follows:

- Country



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Refers to nations with high corruption perception indexes, characterized, among other circumstances, by the absence of an independent and efficient administration of justice, a high number of public officials questioned for corrupt practices, the lack of effective regulations to combat corruption, and the lack of transparent policies on public procurement and international investment.

There is also a risk if **Derco Colombia S.A.S.** carries out operations through Subordinate Companies in countries that are considered tax havens according to the classification formulated by the National Tax and Customs Directorate.

- Economic sector

Economic sectors have different levels of corruption risk. Therefore, the automotive sector and its corruption risk should be considered.

- Third parties

It is a fact that a large proportion of corruption cases involve the participation of third parties, such as Contractors and subordinated companies.

### **b) Risk assessment**

The identified risks must be evaluated by their owner to prioritize the identification of the processes with the highest exposure; and to focus the efforts and resources of the CO-PTTE and the Company on them using a methodology based on ISO 31000.

### **c) Identification and evaluation of controls**

Once the risks have been identified, the Company's existing control activities to mitigate them must be identified. Subsequently, their design must be evaluated in relation to the reasonable mitigation of the risk of the offenses of the Law to which they apply. Such assessment shall be carried out by the risk owner with the advice of the CO-TBEP.

To evaluate the design of each control, the following elements must be considered; and it must be analyzed whether they as a whole, reasonably mitigate the materialization of the





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associated inherent risk:

- (i) Type of control : Preventive/Detective/Corrective
- (ii) Category : Manual/Automatic /Semi-automatic
- (iii) Evidence : Documented/Not documented
- (iv) Identification of the person responsible for execution: Yes/No
- (v) Frequency : Scarce/Recurrent/Periodic

Based on this form of evaluation, the CO-TBEP and the responsible manager or owner of the process shall estimate the degree of inherent risk mitigation as high, medium or low, according to the effectiveness of controls, procedures and policies.

The definitions of the above elements, as well as the estimated degree of control mitigation, will be established in the TBEP Risk Matrix.

### 5.2.1.2. Execution of preventive controls

The execution or implementation of the controls associated with the processes and sub-processes identified in the TBEP Risk Matrix corresponds to those responsible for or owners of such risks. Therefore, they must be clearly identified since, in addition, they must report on the effectiveness of the controls or the need for adjustments or improvements to them. An example of preventive control is the request for certificates from the trade associations in which the Company participates and from the institutions that donate to the Company declaring whether they have incurred in practices that violate the Law.

### 5.2.1.3. Due diligence

A due diligence aims to provide the company with the necessary elements to identify and assess the risks of transnational bribery related to the activities of a company, its subordinate companies or Contractors, when the latter are exposed to a high level of transnational bribery risk.

Due diligence considers:

- Periodic review of legal, accounting, or financial aspects, which is performed through the legal monitoring of legal management and the audit of financial resources.



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- Verification of the good reputation of the Contractors, which is a function of the Compliance Officer of the Model for the Prevention of Money Laundering and Terrorist Financing, as detailed in the Manual on this matter.

### 5.2.2. Detection activities

The objective of the detection activities is to uncover in a timely manner cases of non-compliance or violations of TBEP policies and procedures, as well as indications of the conducts of the Law.

#### 5.2.2.1. Financial Resources Audits

The company annually identifies procedures for managing and auditing financial resources to prevent the use of these resources in the commission of transnational bribery and any other corrupt practices.

The **Comptroller's Office** should coordinate periodic reviews of financial resource management procedures and, together with other management that may be involved, develop action plans to close any gaps that may be detected.

The results of these audits must be incorporated by the CO-TBEP in all reports that they must submit to the Board of Directors and to such other bodies as it may determine.

The Company's financial resource management procedures are as follows:

1. Income
2. Expenditures
3. Stocks
4. Accounts receivable

These processes have an impact on the company's financial statements.

#### 5.2.2.2. TBEP Audits



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The Comptroller's Office should incorporate in its audit plan, on a periodic basis, reviews of the processes related to the TBEP and its operation. The minimum elements of the TBEP that should be audited are as follows:

- (i) The appointment of the CO-TBEP according to the law, and the resources and powers allocation.
- (ii) the CO-TBEP direct access to the Shareholders' Meeting and the General Manager to report on the measures and plans implemented and account for their management. The reports must contain situations to be reported, conclusions, and action plans with respect to prevention, detection, response, supervision and updating ~~etc~~, as established in the TBEP.
- (iii) Conducting and recording TBEP dissemination and training activities.
- (iv) Update of the TBEP Risk Matrix.
- (v) The incorporation of the clauses defined by the TBEP in contracts with Contractors.
- (vi) Review the due diligence procedures performance

In addition, the CO-TBEP, together with the corresponding management, must participate in the design and implementation of action plans to close the gaps detected.

### 5.2.2.3. Inquiries and complaints channel

The Corporate Controller's Office will provide and maintain a multiple access system for receiving queries and complaints (Channel for queries and complaints), which will include means of online access and toll-free telephone line, among others, through which any person, whether a collaborator, may channel complaints about violations of the TBEP rules and/or the Law, confidentially, if desired, anonymously and ensuring the non-retaliation guarantee

The channel for consultations and complaints "may receive complaints, personalized or anonymous, related to activities that violate the provisions of the law in question and its



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subsequent amendments, as well as any matter related to regulatory non-compliance, internal control and financial statements, non-compliance with the Code of Ethics (Derco Integro Manual), the Internal Regulations and/or other situations that require the attention of the CO-TBEP, and/or the Management and/or the Shareholders' Meeting".

If the Corporate Comptroller's Office receives a report that falls under the scope of the TBEP or is related to any of the conducts set forth in the Law, it must inform the CO-TBEP immediately. It will be the responsibility of this management to proceed with the analysis of the sufficiency of the report and subsequent investigation of the facts, which will be carried out in accordance with a general investigation policy, responsibility of this management (Corporate Policy for the Management of Inquiries and Complaints). It shall also inform the CO-TBEP of the report of findings and the measures adopted in this regard. Finally, it will also inform the CCO-TBEP of any possible infringement by suppliers of its own crime prevention models of which it becomes aware.

### 5.2.3. Response activities

The objective of these activities is to manage the consequences of non-compliance with the TBEP, its related policies and procedures, and the commission of any of the behaviors against the Law. Response activities, therefore, may be aimed at preventing the reoccurrence of an infraction or non-compliance, on the one hand; and sanctioning the offender, on the other. Among the response activities it is possible to distinguish:

#### 5.2.3.1. Action plans

The CO-TBEP shall review the breached control activities, identify the cause of the failure, and develop action plans in conjunction with the affected area and the process owner/manager to make the controls more effective. Likewise, the CO-TBEP shall re-evaluate the level of mitigation of the inherent risk after the violation of the controls.

#### 5.2.3.2. Disciplinary or Corrective Measures

Failure to comply with this manual will be subject to disciplinary, criminal, labour and international sanctions, up to and including termination of the employment contract, without prejudice to any legal action that may be taken, in accordance with applicable laws in force, such as the Anti-Bribery Law.

To the extent permitted by labour legislation, the Company may apply disciplinary



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measures to its employees who do not comply with the TBEP, its policies and procedures, or commit any of the Offenses against the Law, at the conclusion of the corresponding investigation.

The sanctions shall be applied proportionally to the seriousness of the infraction proven through the Investigation Procedure and, for determining it, the recidivism of the offender shall also be considered. In any case, the disciplinary measures to be imposed shall comply with the following:

- (i) Must be contained in the RIOHS prior to the occurrence of the events.
- (ii) Shall apply to all Collaborators participating in the breach.
- (iii) The principle of due process must be observed.

### 5.2.3.3. Registration of complaints and penalties

Without prejudice to the records kept by the Corporate Controller's Office, the CO-TBEP shall keep its own record of the received reports related to the Law, the manner in which they were terminated, and the sanction applied, if any.

### 5.3. TBEP supervision and monitoring activities

The objective of these activities is to supervise and verify the proper functioning of the TBEP and the defined control activities. These are:

#### 5.3.1. TBEP Monitoring

- (i) The CO-TBEP must annually define a monitoring plan for the different aspects of the TBEP, which may be carried out directly or through external auditors, and agree on aspects to be reviewed by the Comptroller's Office in its annual plan, which will be communicated to the Board of Directors as part of its annual work plan. Audits of the administration of financial resources must be part of this plan.
- (ii) The action plans resulting from the audits must be defined by the CO-TBEP in conjunction with the management involved.



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### 5.3.2. Updating the TBEP

In order to update the TBEP, the CO-TBEP shall take into consideration, among other circumstances, the following:

- (i) New regulations applicable to the Company.
- (ii) Relevant changes in the structure of the Company, its businesses, or the markets in which it operates.
- (iii) Effectiveness of action plans implemented to control or reduce risks.
- (iv) Detection of failures in the controls that require modification or updating.

Considering the above, the CO-TBEP shall update the TBEP Risk Matrix, the controls associated with the TBEP and its related policies and procedures at least once a year.

## 6. ROLES AND RESPONSIBILITIES

### 6.1. CO-TBEP

The CO-TBEP is the officer specially designated by the Shareholders' Meeting to design, implement and supervise the TBEP in conjunction with the company's management.

The CO-TBEP will have direct access to the General Manager at the Shareholders' Meeting to report on the measures and plans implemented and to account for its management. Additionally, on an annual basis the CO-TBEP must have a TBEP budget, which will provide it with sufficient material means to fulfill its functions.

Its functions, powers and duties shall consist, fundamentally, of:

- (i) Ensuring the effective implementation of the TBEP, its adequacy and updating, together with the Shareholders' Meeting and the General Manager.
- (ii) Requiring the Shareholders' Meeting and the Chief Executive Officer to have the



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~~ress~~ means, resources and powers to meet their functions.

- (iii) Suggesting the development and implementation to the responsible management or owner of the ~~pres~~ those policies, procedures and/or control activities that it deems necessary to complement the TBEP;
- (iv) Reporting to the Shareholders' Meeting and to the Chief Executive Officer and their team on a quarterly basis, and at least annually or when needed through reports that shall include situations to be reported, conclusions and action plans, regarding, at least, prevention activities; detection; response; supervision and updating of the TBEP; as established therein;
- (v) Requesting from the corresponding areas the records or evidence of compliance and execution of the controls carried out by them ; identify gaps and coordinate action plans to close them;
- (vi) Reviewing, annually or when need it, the activities or processes of the Company in which the risks of committing the Offenses against the Law are generated or increased;
- (vii) Leading the TBEP certification process and following up on recommendations or actions ~~pres~~ that arise in the management of the TBEP.
- (viii) Executing the controls under its responsibility and documenting and safeguarding the evidence related thereto.
- (ix) Being informed of the reports received by the Corporate Comptroller's Office about cases of violation of the TBEP within the company, as well as the report of findings and the measures adopted in this regard.
- (x) Proposing to the Shareholders' Meeting updates to the TBEP when new conducts are incorporated to the Law or when circumstances so require.
- (xi) Maintaining the TBEP Risk Matrix up to date.



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- (xii) Periodically evaluating the effective application of the TBEP through internal or external audits to verify compliance with the TBEP, and participating in the design and implementation of action plans for the gaps detected.
  
- (xiii) Designing and implementing a training and communications program for the TBEP compliance addressed to employees.
  
- (xiv) Ensuring that the information related to the TBEP, which is publicly available to employees, is updated and that the channel for queries and reports is operational and guarantees confidentiality, anonymity if required by the whistleblower ; and the non-retaliation guarantee.
- (xv) Advising and resolving queries from collaborators or areas related to any aspect ~~regarding~~ to the prevention of the conducts against the Law.
  
- (xvi) Managing the performance of surveys to collaborators, employees and contractors, to verify the effectiveness of the TBEP.
  
- (xvii) Managing the periodic performance of compliance audits and due diligence procedures.

### 6.1.1. Means, powers, and duties

The means and powers of the CO-TBEP to carry out its work shall be as follows:

- (i) Autonomy with respect to the other Management Departments for the purpose of accessing and reporting directly to the Shareholders' Meeting and to the Chief Executive Officer to report their findings and account for their management.
  
- (ii) Budgetary resources established in its own annual budget and sufficient to carry out compliance reviews of the TBEP and to carry out the necessary audits and improvements.
  
- (iii) Unrestricted access to all information necessary for the proper performance of its functions.
  
- (iv) Necessary and adequate physical infrastructure to properly develop its work and





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maintain the confidentiality of its findings within the Corporate Comptroller's Office.

- (v) Necessary and sufficient technological infrastructure for the performance of its tasks, which must guarantee a high level of physical and logical security of the network in which it operates to safeguard the confidentiality of the information.
- (vi) Trained, competent and experienced human resources for the adequate fulfillment of their functions and duties.

### 6.2. Other relevant and essential roles of the TBEP

To provide the TBEP with everything necessary for prevention, detection, response, supervision and updating activities, the following departments, areas and positions will also participate in the implementation and continuous improvement of the TBEP, with the responsibilities and activities indicated in each case:

- (i) Board of Directors
  - a. To assume a commitment aimed at the prevention of Transnational Bribery, as well as any other corrupt practices, so that **Derco Colombia S.A.S.** can conduct its business in an ethical, transparent, and honest manner.
  - b. Appointing and/or removing the CO-TBEP.
  - c. Providing the means and resources necessary for the CO-TBEP to meet its mission.
  - d. Approving the TBEP Compliance Manual.
  - e. Ensuring the correct implementation and effective operation of the TBEP.
  - f. Receiving the TBEP's management report and accountability at least annually.
  - g. Approving annually the work plan of the CO-TBEP.
  - h. Informing the CO-TBEP of any situation observed that has a bearing on the Law's



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provisions or conduct.

- i. Instructing the CO-TBEP to deliver informative reports to other Company bodies, at least one of which shall be a report to the local Executive Committee on a quarterly basis.

(ii) General Manager:

- a. Ensuring the effective implementation of the TBEP and its permanent adaptation and updating, in conjunction with the Shareholders' Meeting and the CO-TBEP.
- b. Supporting the management of the CO-TBEP by ensuring that it has unrestricted access to the information and people necessary for the development of TBEP prevention, detection, response, monitoring, and continuous improvement activities.
- c. Informing the CO-TBEP of any situation observed that is related to possible non-compliance with the TBEP or the Law.
- d. Contributing to the dissemination of the TBEP by generating and participating in communication, training and awareness-raising activities, in order to make its contents their own and establish a culture of compliance and integrity that starts with the Company's top leader.
- e. Dictating protocols, rules and specific procedures that allow the persons involved in risky activities or processes to program and execute their tasks or work in a way that prevents the commission of the conducts of the Law.
- f. Instructing the obligatory nature of participation in training related to the TBEP.

(iii) Administration and Finance Management

- a. Proposing, with the collaboration of the CO-TBEP, to the Shareholders' Meeting and the General Manager, the issuance of policies, procedures or protocols related to the administration of financial resources in order to prevent their use in the commission of conducts against the Law.



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- b. Developing in conjunction with the CO-TBEP a system of controls associated with financial resources that has the capacity to prevent their use in the Crimes of the Act.
- c. Keeping a record of all donations made by the Company and report to the CO-TBEP with the periodicity established in the Company's Donations Policy.
- d. Executing the controls that are their responsibility according to the TBEP Risk Matrix and documenting and safeguarding the evidence related to them.
- e. Implementing action plans to close gaps detected in audits or investigations related to the TBEP.
- f. Delivering the information required by the CO-TBEP for the performance of their respective functions in relation to the TBEP.

(iv) Comptroller's Office

- a. Incorporating in its audit plan periodic reviews of the TBEP and to the operation of the TBEP as well.
- b. Delivering information required by the CO-TBEP for the performance of its functions in relation to the TBEP.
- c. Supporting in the execution of TBEP activities and action plans to the CO-TBEP that are compatible with the independence that the area must maintain.

(v) People Management

- a. Including matters related to TBEP and its associated crimes in the training and induction programs given to new employees and permanent updating to former employees;
- b. Executing the controls that are their responsibility according to the TBEP Risk Matrix and document and safeguard the evidence related to them.
- c. Implementing action plans to close gaps detected in audits or investigations related



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to the TBEP that are under their responsibility.

- d. Delivering the information required by the CO-TBEP for the performance of its functions in relation to the TBEP;
- e. Supporting in the coordination of training and dissemination activities of the TBEP, being responsible for maintaining evidence of the attendance register and the delivery to the Collaborators of the communications prepared especially for this purpose;

### (vi) Legal Management

- a. Advising on the content of the clauses on compliance with the Law that must be included in contracts entered into with companies that supply goods and services;
- b. Executing the controls that are their responsibility according to the TBEP Risk Matrix and document and safeguarding the evidence related to them;
- c. Implementing action plans to overcome the gaps detected in audits or investigations related to the TBEP that are under their responsibility;
- d. Delivering information required by the CO-TBEP for the performance of its functions in relation to the TBEP;
- e. Advising the CO-TBEP on procedural and consistency requirements for the issuance of internal rules necessary to effectively implement the TBEP.
- f. Translating the TBEP Compliance Manual into English and ensure its integrity.

### (vii) Local Executive Committee

- a. Receiving from the CO-TBEP the periodic reports from the CO-TBEP on the management of compliance risks related to the Law.
- b. Providing guidelines to the CO-TBEP regarding TBEP risk management and following upon the progress of the action plans adopted by the CO-TBEP.



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(viii) Collaborators, Contractors as appropriate:

- a. Complying with the provisions of the contractual clauses related to the Law signed by them (if applicable).
- b. Participating in training developed under the TBEP and the Company ethics program in general;
- c. Informing and consulting or reporting, through the Consultations and Complaints Channel, regarding situations that may be against the law in force and/or the Company's policies.

### 7. RECORD RETENTION POLICY

The Legal Area will be responsible for record keeping and preserving all documents arising from international business or transactions of **Derco Colombia S.A.S.**

This documentation may only be destroyed with the prior authorization of the General Manager and the CO-TBEP's reasons for such request must be justified. The disappearance or destruction of all or part of these records without due authorization shall be considered a serious breach.

### 8. EXCEPTIONS

Any exception to the compliance of this policy must be authorized in writing by the Shareholders' Meeting.

### 9. DISTRIBUTION OF THE DOCUMENT

Distribution via e-mail and publication through the Internal Social Network of each country and on the **Derco Colombia S.A.S.** website.

### 10. GIS DOCUMENTS

- DercoIntegro Manual



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## 11. NORMATIVE REFERENCES

- Law 1778 of February 2, 2016
- External Circular 100-000003 of July 26, 2016.
- Resolution 100-006261 of October 2, 2020
- Law 734 of 2002
- Law 734 of 2002
- Law 599 of 2000 Colombian Criminal Code
- Law 1474 of 2011

## 12. LIST OF CHANGES

Version	Date	Change Mode
1	09/06/2021	Issuance of the document
2	17/11/2022	Document update.

***Document approved by e-mail***

### DRAFTED

Luz Enith Díaz  
Corporate Compliance  
Officer  
Date: 05/10/2022

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Quality Analyst  
Date: 22/11/2022

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Legal Manager  
Date: 16/11/2022

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General Manager  
Date: 17/11/2022

Jessica Montecinos  
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Compliance Manager  
Date: 16/11/2022

Shareholders' Meeting  
Date: 16/11/2022