

Transparency and business ethics program



Socoda

Transparency and business ethics program

Code: GJ - PG -01
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Introduction

SOCODA S.A.S (hereinafter “SOCODA” or “the Corporation”), in compliance with the pointed in the 100-000011 Circular of August 9, 2021, implements this Transparency and Business Ethics Program.

The Transparency and Business Ethics Program groups the rules, the tools and the control, with the purpose of providing an alignment of the principles of organization and conduct of the Corporation, destined to prevent the crimes contemplated in the law and the those related with the corruption, transnational bribery and risks related to the hiring with national state entities. Likewise, this program has the purpose of prevent, detect, investigate and remedy any form of improper conduct in the activities that the Corporation develops.

1. Objective

The objective of this program is guide and transmit to the entire human team linked to the Corporation and to all related parties and stakeholder, the legal guidelines and good behaviors regarding at the business and transactions, with and in the Corporation, which are carried out with the best market practices, within a Ethic and Transparency framework. The Corporation “DOES NOT TOLERATE” any form of business, transaction, agreement, considered as bribery, corruption or fraud.

The foregoing, the Senior Directors of the Corporation will dispose of the operatives, physical, economics measures; operative and techonological resources for proper compliance, control and supervision of the Compliance Policies of the Transparency and Business Ethic Program.

2. General considerations

2.1. Senior management commitment

The senior directors are in charge of defining and issuing the “compliance policies”, that is, the policies with which SOCODA will be able carry out its business in a Ethical, Transparent and honest manner and at the same time allow it to identify, detect, prevent and mitigate the risks related with the transnational bribery and other corrupt practices. Therefore, the senior directors supervise the dissemination of the Transparency and Business Ethics Program of the Corporation.

2.2. Field of application:

The Transparency and Business Ethics Program applies to all the human team linked at the Corporation, Board of Directors, Legal Representative and all parties related and stakeholders, these are understood as customers, suppliers, distributors, contractors, shareholders, investors and in general, all those with whom a commercial, contratual or cooperative relationship is established directly or indirectly.



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Its application and compliance are mandatory without being able to claim ignorance of its content or procedures to justify conduct of Transnational Bribery or any other practice of corruption.

2.3. Adoption of internal policies and regulations

The Transparency and Business Ethics Program has as its purpose of publicly stating the commitment of the Corporation and its Senior Directors with acting ethically and transparently before its stakeholders, and the conducting business in a responsible manner, acting under a philosophy of zero tolerance with those acts that contravene our corporate principles. Herein details, the content and guidelines of the following policies:

• Policy about Gift

SOCODA has high quality standards in the products and services offered this being the standard to establish solid relationship in which decisions based on purely commercial criteria prevail.

Within its commitments of Transparency and Ethic Business Ethics, SOCODA establishes the following policy:

- The practice of giving or receiving gifts is not promoted. However, in the event that one of the employees receives a gift, it is understood that it will not be in a personal capacity, and therefore it must be delivered to the Human Resources management for disposal.
- The gifts received, regardless of their amount, must be delivered to the Human Resources Management, who will dispose of them to raffle them among all the collaborators on the dates that are defined.
- You can only directly receive notebooks, pencils, calendars as souvenirs.
- SOCODA employees are prohibited from offering and receiving money or any benefit to contractors or suppliers, customers, (linked or potential) in order to consolidate a negotiation within the company's operation.
- Payments, gifts or any kind of gifts to public officials are prohibited.
- In the event that a contractor proposes to deliver a benefit, such as a return on investment due to of a agreement with the Corporation, receiving money is prohibited; and it shall be required that the negotiation be in writing within the contractual conditions of the negotiation.

Excluded from these prohibitions are the corporate gifts delivered by SOCODA to the customers defined jointly by: the management, the marketing team and shareholders; who will define the gifts that shall be delivered to their customers at Christmas.

- **Policy regarding regulations and payment of commissions to employees and contractors of businesses or international or national transactions.**
- Remunerations and payment of commissions to contractors:



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All negotiations that involving a business or international transaction must be in writing and these shall be analyzed within the due diligence procedure established as part of the controls established to minimize the risks of Transnational Bribery, in joint work between the requesting area, the hiring area and the Compliance Officer.

In the event that the commissions are defined in favor of a contractor within an international or national business, this shall be established in the agreement, in order to avoid hidden payments through the commissions, a practice that is prohibited.

Payments for these concepts will be made through the bank transactions and the clearing accounts when this being applicable, being duly supported by the invoices, the collection accounts prepared according to the terms established in the agreement or the purchase order, in such a way that they are consigned in the bank account registered by the contractor at the time of completing the linking process.

- Remunerations and payment of commissions to collaborators:

The remunerations and the commissions that may be generated in favor of the collaborators are regulated according to what is established in the employment agreement and amendment between the parties.

Payments shall be made through a bank transaction to the collaborator's account that is registered in the linking process and that is registered in the payroll.

Any payment made without complying with this policy is prohibited policy.

- **Entertainment, food, lodging and travel expenses policy.**

Expenses for food, lodging and travel are authorized following the procedure of the SOCODA Traveler's Manual. Its periodicity obeys the budget and needs of each area, which shall be supported in the travel request format and in the formats for legalization of general expenses and legalization of advances.

The collaborators who make national and international trips and/or visits to customers and suppliers, shall make reports on the invitations made and/or received.

The invitations made to customers by SOCODA are authorized as long as they are made for reasons of relationship and customer loyalty or when the annual convention is held, previous evaluation carried out by the commercial departments together with the management, who will define the guests.

The invitations shall be reported, and the collaborator must separate what corresponds to an invitation and what corresponds to representation expenses.

The collaborators must report and inform at the time of legalizing the expenses, the invitations made and received justifying the reason for these, which may be reviewed and audited at any time by the Compliance Officer or the audit.



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• Policy of political contributions of any nature.

“Political contributions” are understood as the delivery of sums of money, objects of pecuniary value or other benefit in favor of a political party, political candidate or a political campaign; the political contributions made by SOCODA must be authorized by the Board of Directors, taking into account that if the contributions exceed 2% of the maximum sums to be invested by the candidates, the company shall be disqualified from entering into agreements with the state in accordance with the 2 article of the 1474 Law of 2011.

• Donations Policy.

All donations made by SOCODA shall be subject to the Corporation's Donations Procedure. In all cases, the prior authorization of the general management will be required, verifying the knowledge of the beneficiary entity.

In general terms:

- No cash donations will be made.
- The donations made in the Corporation shall be subject to the available inventory of surpluses, inventory of low movement or breakdowns.
- If the above products are not available, the General Management will be asked if first-class products are delivered.
- SOCODA will only make donations to non-profit legal persons (institution or organization) that are duly registered with the competent authorities of the country.
- The General Management shall evaluate exceptional cases to consider donations without tax benefit.
- All donations must follow this procedure and must be approved by SOCODA's General Management.
- Donations will be channeled or forwarded to the Human Talent Management, who issues a recommendation to the General Manager of SOCODA.
- Donations shall be duly recorded in the respective accounting books.
- The logistical expenses of the donations shall be assumed by SOCODA prior availability of the routes.
- The donations requested by partners must always be paid by them.

All donations made are supported in the delivery certificate, prior verification by the Compliance Officer of having followed the counterparty linking procedure and the due Diligence procedure for the knowledge of the respective entity, checking that this policy is complied and with the tax aspects, which will be jointly validated by the accounting area.

• Policy for the execution of agreements and procedures with the State

All employees who represent SOCODA before the State must comply with the policies indicated in this Compliance Manual, especially the prohibition of making facilitation payments, by offering money, objects of value to authorities and public officials, whether or not to influence any action or decision that must be taken and impact the interests of the Corporation.



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SOCODA shall strictly comply with the provisions of the signed agreements, prior verifying the contractual conditions, by the hiring area, which shall ensure that the Corporation is able to comply with the agreed conditions; supporting its execution through the subscription of delivery records as agreed.

It shall be hired with the State only in cases where there is no personal responsibility of the general manager.

- **Policy of filing procedures and preservation of documents related to business or international transactions.**

The procedure for filing and keeping documents related to business or international transactions must comply with the document management program of the Corporation's Data Processing system.

Arrangement of information: Virtual media routes and documents that apply to physical media.

Restriction: Documentation and information of the due diligence, in a safe and restricted place.

Conservation time: 10 years.

Information from competent authorities: In charge of the compliance officer.

- **Contractual policies for application of the Transparency and business ethics program**

Contractual clauses shall be incorporated into the agreement with the Contractors that have a higher degree of exposure, which help prevent and refrain from infringing the regulations regarding Bribery and Corruption. Likewise, It shall be guaranteed that all agreements must be translated into the languages of the countries where the Legal Entity carries out the activities through Subordinate Corporations, branches or other establishments, or even contractors.

3. Definitions

Senior Directors: They are the natural or legal persons, designated according to the corporate bylaws or any other internal provision of SOCODA and Colombian law, as the case may be, to manage and direct the Corporation, whether they are collegiate bodies or natural persons individually considered.

Compliance Audit: is the systematic, critical and periodic review regarding the proper implementation and execution of the PTEE.

Members: They are those natural or legal persons who have made a contribution in money, work or other assets appreciable in money to the Corporation in exchange for quotas, interest parts, shares or any other form of participation contemplated by Colombian laws.

XIII Chapter of the Basic Legal Circular: refers to the Chapter that includes administrative instructions and recommendations for the adoption of the PTEE.

100-000011 External Circular of August 9, 2021: It is the guide intended to implement Transparency and business ethics programs, which makes a comprehensive amendment to No.100-000003 External Circular of July 26, 2016 and addition of XIII Chapter of the Basic Legal Circular of 2017.



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Contractor: It refers to any third party that provides services to a Legal Entity or that has a contractual legal relationship of any nature with it. The Contractors may include, among others, intermediaries, agents, distributors, advisers, consultants and persons who are parties to collaboration agreements with the Legal Entity.

Corruption: Behaviors aimed at a Company benefiting, or seeking a benefit or interest, or being used as a means in the commission of crimes against the public administration or public property or in the commission of Transnational Bribery conduct.

Due Diligence: Constant and periodic review and evaluation process that must be carried out by the Obligated Entity according to the Corruption Risks or Transnational Bribery Risks to which it is exposed.

Employee: It is the individual who undertakes to provide a personal service under subordination to a Legal Entity or any of its subordinates, in exchange for remuneration.

Stakeholders: they are groups of people within a company that have their own objectives, so that achievement of these is linked to the performance of the company; for SOCODA, its main stakeholders are:

- a) Shareholders.
- b) Employees:
- c) Suppliers.
- d) Customers

Risk Matrix: It is the tool that allows the Supervised Corporation to identify Corruption Risks or Transnational Bribery Risks.

Anti-corruption y Anti-bribery regulations: They are the FCPA law, the UK Bribery law, the Convention against Transnational Bribery of the Organization for Economic Co-operation and Development (OECD), the National Anti-Corruption Regulations and any other applicable anti-corruption and bribery laws.

National regulations against corruption: It is 1474 Law of 2011 (Anti-Corruption Statute) by which regulations are dictated aimed at strengthening the mechanisms of prevention, investigation and sanction of acts of corruption or bribery and the effectiveness of the control of public management, as well as its regulatory decrees and the rules that modify, replace or complement it. In the same way, 1778 Law of 2016 is considered relevant, through which regulations were issued on the liability of legal Entity for acts of transnational corruption and provisions were also issued on the fight against corruption.

Compliance Officer: It is the natural person designated by the Senior Management of the Corporation to lead and manage the bribery risk management system or other acts of corruption.

Corruption Risks: It is the possibility that, by action or omission, the purposes of the public administration shall be diverted or the public patrimony shall be affected towards a private benefit.



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Transnational bribery risks: it is the possibility that a legal entity, directly or indirectly, gives, offers or promises a Foreign Public Servant sums of money, objects of pecuniary value or any benefit or utility in exchange for such public servant performing, omitting or delaying any act related to his duties and in relation to an Business or International Transaction.

Bribery: It is the act of giving, offering, promising, requesting or receiving any gift or thing of value in exchange for a benefit or any other consideration, or in exchange for performing or omitting an act inherent to a public or private function, regardless of whether the offer, promise, or request is for oneself or for a third party, or on behalf of that person or on behalf of a third party.

Transnational bribery: It is the act by virtue of which the Corporation, through its employees, senior directors, associates, contractors or subordinate companies, gives, offers or promises to a foreign public servant, directly or indirectly: (i) sums of money, (u) objects of pecuniary value or (iii) Español any benefit or utility in exchange for such public servant performing, omitting or delaying any act related to his functions and in relation to an business or international transaction. (In the case of this document we will call it bribery).

4. Fundamental principles for the corporation

Principle of good faith: Act in good faith, with diligence and care, permanently ensuring respect for people and compliance with the law, giving precedence in their decisions to the principles and values of the Corporation over particular interest.

Principle of honesty: In the event in which all workers are aware of their responsibilities and their moral, legal and labor obligations and practice them, it can be said that they are fulfilling their duties to the community, the company and the country and the only way to do it is guided by the path of an honest, transparent and legitimate business. Those who have a higher hierarchical level and responsibility for the Corporation's assets and processes must be more committed with a honest conduct.

Principle of loyalty: For loyalty to the Corporation, every person must promptly notify their immediate superiors of any fact or irregularity committed by another worker or a third party that affects or may harm the interests of the Corporation, its clients, shareholders and directors. If the employee prefers to keep his identification confidential to communicate this fact, he can do so through the Ethics Line.

Principle of general and corporate interest: All actions must always be governed by the general interest and management at all levels must be devoid of any personal economic interest. Transparent conduct is exempt from payment or recognition to obtain or retain business or gain a business advantage.

Principle of truthfulness: We tell and accept the truth above any consideration. The information we issue to the general public is truthful.

5. Modalities that go against the transparency, the integrity and the business ethics



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For the purposes of the Corporation Program, the following modalities are considered to go against the Transparency and Business Ethics Program:

5.1. Bribery:

Bribery can be described as the giving or receiving by a person of anything of value (usually money, gifts, loans, rewards, favors, commissions or entertainment), as an improper inducement or reward to obtain business or any other benefit. Bribery can take place in the public sector (for example, bribing a national or foreign public official or servant) or in the private sector (for example, bribing an employee of a customer or supplier).

5.1.1. Identification of the risk

Bribes and kickbacks may therefore include, but are not limited to:

- Excessive or inappropriate gifts and entertainment, hospitality, travel and accommodation expenses.
- Payments, whether by employees or business associates, such as agents, facilitators or consultants.
- Other “favors” provided to public officials or servants, clients or suppliers, such as contracting with a company owned by a family member of the public official, client or supplier.
- Uncompensated use of the Corporation services, facilities or property It is possible to find yourself in a bribery situation.

It is possible to find yourself in a bribery situation. In this situation, the Employee must apply the provisions of the Code of Conduct: "We act disinterestedly in the Corporation affairs, without expecting anything in return for the exercise of our responsibility as a guarantee of transparent and equal management of customers and suppliers. ". And reject the proposal forcefully, and report this situation through the channels provided such as the Transparency Line or inform to the Compliance Officer.

5.1.2. Identification of risk factors

The Corporation prohibits bribery in any of its forms, whether directly or indirectly, and undertakes to:

- Implement a program to combat bribery, fraud and any activity or operation considered corrupt.
- Apply the Transparency and Ethics Program, as well as the normativity regarding transactions with Related Parties of SOCODA.
- Apply the policies and procedures that guide the organization's Ethical behavior.
- Carry out the risk management evaluation that affects compliance with the policies or guidelines on the matter.
- Develop internal and external communications on the adoption of the Program.



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- Implement internal controls of surveillance, monitoring and guarantee of application of corporate principles.
- Conduct training on the adoption and implementation of the anti-corruption and anti-bribery policy.
- Prohibit any participation in situations or transactions directly or indirectly considered as bribery or fraud.
- Promote the Due Diligence and Compliance Audit Processes, in order to identify contingencies of possible acts of Transnational Bribery, which may affect the Legal Entity.
- Promote the instruments (policies, procedures, guidelines) available to the company to promote transparency and business ethics in business, activities and processes.
- Implement anonymous reporting lines.
- Duly sanction non-compliance with the Transparency and Ethics Program, in accordance with the provisions of this document.

5.1.3. The Risk Assessing related with the transnational bribery

Bribery risk assessments will be carried out periodically, under the recommended criteria:

- The size, the structure, the locations and sectors in which it operates, the nature, scale and complexity of the organization's activities and operations, the organization's business model, the nature and scope of interactions with public officials.
- Analyze, evaluate and prioritize the bribery risks identified.
- Evaluate the adequacy and effectiveness of the existing controls in the organization to mitigate the risks of bribery evaluated.
- The bribery risk assessment will be reviewed periodically, so that changes and new information can be properly carried out.
- Retain documented information that demonstrates that the bribery risk assessment has been carried out and used to design or improve the management system.

5.2. Corruption:

It is any act, attempt or deliberate omission to obtain a benefit for oneself or for third parties to the detriment of the organizational principles, regardless of the financial effects on the companies. They are the actions that are presented under one of two modalities:

- Internal: Acceptance of bribes from third parties towards The Corporation employees, so that their decisions, actions or omissions benefit that third party.
- Corporate: Acceptance of bribes from Corporation employees to government officials or third parties, directly or through agents; in order that the third party's decisions, actions or omissions benefit the Company, or an employee of it.



5.2.1 Identification of the risk

The Corporation prohibits any type of bribery or act of corruption, and requires compliance with all Anti-corruption and anti-bribery regulations, including 100-000011 Circular of 2021 issued by the Superintendency of Corporations, and the other concordant ones, which modify or replace it. The employees, or the representatives of the Corporation who travel within the national territory and/or abroad, for business reasons on behalf of the corporation or on its behalf, MAY NOT:

- Offer, give, promise, authorize, money or any material good (cash, gifts, loans, meals, trips, lodging, loans) to any public servant, or natural person or legal entity, in order to obtain, retain, address business to anyone, to gain an advantage.
- Hiding or disguising gifts through other expense records.
- They cannot give gifts, trips, hospitality, gift cards (vouchers), even if they are not of material value, if it is considered a corrupt act, to obtain an inappropriate advantage or obtain a favor, a favorable concept towards the corporation or its representative, with expenses paid by the corporation or with their own money.
- In a bidding process, gifts, trips, hospitality should not be given to officials or persons in charge of the process in which the corporation is bidding.
- Only gifts, reasonable hospitality, of modest or symbolic value for promotional purposes and in accordance with the policy are allowed. It must have the approval of the Area Management, who is responsible for ensuring that the guidelines of the Business Ethics Policy are complied with.
- If it is a former public servant, hired with the corporation, in no case, may not make use of the confidential information of the corporation or of the government entity or influence peddling due to the position held.
- Limit the delivery of gifts to third parties.

5.2.2. Anti-corruption risk identification process

The risk identification for each area, transaction, project, specific activities, is carried out through:

- The compliance officer with the advice of the management group They identify the risks, having to involve employees with the appropriate knowledge of the company, processes and activities.
- External information sources such as control entity reports.
- A list of risk events associated with the source or generator of risk is drawn up: activities, processes, functions of people, risk of corruption.
- Risk events are associated with the greatest impact for the organization if the risk materializes.
- Once the risks have been identified, the causes that can generate such risks are related.

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- The process of measurement and control of the risks identified in each related process will be measured and controlled by those responsible for each process.

5.2.3. Risk register

- Risk Classification: After the risks have been identified, a simple qualitative classification (high, medium, low) will be assigned to them depending on the probability of occurrence and their potential impact in the event of their occurrence. After this, the inherent risk can be obtained.
- Identification of the Mitigation Controls: The Mitigation controls of the risk must be proportional to the probability and the results of the occurrence of an act of corruption or Transnational Bribery. The corporation can adopt general controls (at the corporation level), such as Compliance Programs and preventive and detection controls, such as the audits, the due diligence, the investigations, among others.
- Risk Register: The Senior Directors of the Corporation must determine the impact for each of the identified risk events. The risk assessment must be recorded in detailed database templates in the following way:

| Identification and analysis | Inherent risk | Risk control | Residual risk assessment | Risk treatment |
|-----------------------------|---------------|--------------|--------------------------|----------------|
| | | | | |

5.3. Warning signals of Bribery and Corruption

5.3.1. In the analysis of accounting records, financial statements or operations

1. Invoices that appear to be false or do not reflect the reality of a transaction or are inflated and contain excess discounts or refunds.
2. Transfer of funds to countries considered tax havens, without justification.
3. Operations that do not have a logical, economic or practical explanation.
4. Operations outside the ordinary course of business.
5. Operations in which the identity of the parties or the origin of the funds is not clear.
6. Assets or rights, included in the financial statements, that do not have a real value or that do not exist.

5.3.2. In the corporate structure or corporate purpose

1. Complex or international legal structures without apparent commercial, legal or fiscal benefits or owning and controlling a legal entity with no commercial objective, particularly if it is located abroad.
2. Legal entities with structures of "off shore entities" or "off shore bank accounts".
3. Corporations that are not operating under the terms of 1955 Law of 2019 or that due to the development of the business may be considered as "paper" entities, that is, that reasonably they do not fulfill any commercial purpose.
4. Corporations declared as fictitious suppliers by the DIAN.
5. Legal entity where the Final Beneficiary is not identified.



5.3.3. In the analysis of the transactions or the agreements

1. Frequently resorting to consulting agreements, intermediation and the use of joint ventures, without legal justification.
2. Agreements with Contractors or state entities that give the appearance of legality that do not reflect precise contractual duties and obligations.
3. Agreements with Contractors that provide services to a single client.
4. Unusual gains or losses in agreements with Contractors or state entities or significant changes without commercial justification.
5. Agreements that contain variable remunerations that are not reasonable or that contain payments in cash, in Virtual Assets (as this term is defined in Chapter X of the Basic Legal Circular of the Superintendency of Corporations), or in kind.
6. Payments to PEPs or people close to PEPs.
7. Payments to related parties (Members, Employees, Subordinate Companies, branches, among others) without apparent justification.

5.4. Assessment method of bribery and corruption risk

The evaluation method to be used to identify the risks of bribery and corruption, to recognize the Corporation may be exposed, it is in accordance with what is described in External Circular No. 100-000011 of 2021, issued by the Superintendency of Corporations in Colombia.

In this sense, the methodological process of Risk Management will be developed according to the identification of risk situations and their causes that affect the processes in the Corporation, identifying the events that could materialize in a risk of bribery, fraud, corruption; using parameters such as knowledge of the business, structure, counterparties, complexity of the corporation's activities and operations, and the scope of interactions with public officials; Reports will be presented to the Board of Directors on the management carried out and on past or current incidents of non-compliance and finally, meetings will be held with personnel who perform control and compliance management functions, areas involved in management and the management group.

For the identification of the risk at the level of corruption and transnational bribery, the annual consultation of the global corruption perception index is important.

<https://www.transparency.org/en/cpi/2020/index/nzl>
<https://transparenciacolombia.org.co/>

To identify the sources of risk of bribery and corruption, the following must be taken into account:

1. The sources or risk factors are the following:
 - Customers.
 - Suppliers.
 - Employees:
 - Shareholders.
 - Products.
 - Distribution channels.
 - Jurisdictions.

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2. The segmentation for each of the interested parties will be according to with:

- Economic Activity: Code of the main or complementary economic activity performed.
- Volume or frequency of operations: Amount and frequency of operations carried out during a period, based on historical information.
- Transaction amount and frequency.
- Jurisdictions. For this variable, locations that present a high risk of corruption at the national and international level are focused.

6. Adoption of transnational bribery and corruption risk controls:

6.1. Due diligence procedures

Corporation, in its commitment to zero tolerance for transnational bribery and other corrupt acts, it establishes within its guidelines the need to carry out an extended investigation to determine the risks of bribery and corruption to which it may be exposed during the processes that entail the consolidation of an international transaction, defining if required, new controls that mitigate risks.

The analysis carried out determines the relevant aspects for the operation and personnel involved, being a prior control that protects the interests of the Corporation, its shareholders, members of the Board of Directors, administrators, collaborators and third parties, minimizing risks and generating traceability of the negotiation in favor of transparency and compliance of the policy.

It is established that the due diligence will be carried out annually, unless there is an important change that requires an advance analysis, as deemed by the Compliance Officer. Likewise, the Corporation, seeking to protect its interests, establishes that the due diligence procedure shall be carried out in all operations that involve international negotiation and/or national suppliers of high impact for the Corporation's operation, carrying out an evaluation, leaving a record of the evaluation of the legal, accounting and financial aspects related with the international transaction, to identify and evaluate the risks of Transnational Bribery and Corruption that may affect the Corporation, its shareholders, members of the Board of Directors, administrators, employees and third parties, leaving support for the analysis carried out.

The scope of the Due Diligence shall vary due to the object and the complexity of the agreements, the amount of the Contractors remuneration and the geographical areas where they carry out their activities.

This Due Diligence Policy includes:

- Form for creating and updating of the suppliers and requesting the attached documents, the link to the Corporation shall not advance until this requirement is fully complied with.



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- Check on public restrictive lists and information reported by the technological tool hired to the company.
- Verification of PEP'S so that, if they have this quality, carry out the extended due diligence procedure
- Risk classification accordance to the corporations Risk Scoring.
- Include in the contractual clauses with third parties, a cause for termination with just cause for incurring in the acts of corruption and transnational bribery.
- Once a year, or when the third party's segmentation so determines, all the data shall be updated and the list validation shall be.

The Compliance Officer, accompanied by the areas that he deems necessary, he will carry out annual reviews of compliance with the Program in order to adjust the components of the System for an effective mitigation of the risks of transnational bribery and other corrupt practices.

6.2. Control and supervision of the compliance policies and the program of business ethics

Appropriate techniques are evaluated and put into practice to periodically monitor and assess the effectiveness of the procedures in preventing transnational bribery and other corrupt practices, as well as to update compliance policies when it is necessary. Therefore, this program is included in the schedule of compliance audits and the due diligence procedures as provided by the Self-Control System for Risk Management in Money Laundering and financing of terrorism - SAGRLAFT, directed by the compliance officer.

7. Mechanisms to reporting

7.1. Ethics line

In its preventive approach, the Corporation has a Transparency and Ethics Line, to which all workers, skateholders, shareholders, customers, suppliers and third parties in general can report situations contrary to the law, the Bylaws and the Program of Transparency and Business Ethics of the Corporation, likewise, through this means you can communicate doubts or needs for advice in relation to compliance with the Transparency and Business Ethics Program, as well as to report behaviors that are in any of the modalities of bribery or corruption.

The consultation is received in detail, guaranteeing the confidentiality of the information and the person who presents it. In this sense, the Corporation has internal, disciplinary measures in accordance with the internal work regulations and control measures that guarantee that none of its reporting employees area subject to retaliation for having reported violations of the law or compliance policies.

The documentation associated with the risks, the analysis, the reports and the investigations related to the Program of Transparency and Business Ethics for the Prevention of the Risk of Transnational Bribery shall be in charge of the Compliance Officer who must keep confidential of the information reported to the competent authorities.

The Employees are prohibited from disclosing to third parties any information related to the internal or external reports of the Transparency and Business Ethics Program for the Prevention of the Risk of Transnational Bribery.



7.2. Key concepts of the ethics line

- The Ethics Line is different from the customer service line.
- It is not a tool for complaints and claims, but for reporting behaviors that go against the Transparency and Integrity of the Corporation.
- It is not for suggestions, or attention to work or personal issues.
- It must be used responsibly.
- The facts reported must be real and verifiable.
- The channels used to make reports to the ethics line are:
- E-mail: lineaetica@socoda.com.co

*Remember that the information provided through this channel shall be treated confidentially and it may be provided anonymously.

7.3. Report of complaints of transnational bribery to the superintendency of corporations

The corporation is committed to promoting the Transnational Bribery Complaint Channel provided by the Superintendency of Corporations, at the following link:

https://www.supersociedades.gov.co/delegatura_aec/Paginas/Canal-de-Denuncias-Soborno-Internacional.aspx

7.4. Report of complaints of corruption to the superintendency of corporations.

The corporation is committed to promoting the Complaints Channel for acts of Corruption provided by the Superintendency of Corporations, at the following link:

<http://www.secretariatransparencia.gov.co/observatorio-anticorrupcion/portal-anticorrupción>

8. Roles and responsibilities regarding the transparency and ethics program

8.1. Board of directors

It is the body in charge of establishing and defining the Compliance Policies, which includes the instructions that must be given regarding the design, structuring, implementation, execution and verification of the actions aimed at the effective prevention and mitigation of any corrupt practice; In addition to the foregoing, the Board of Directors must:

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1. Issue and define the Compliance Policy.
2. Compliance Officer:
3. Define the profile of the Compliance Officer.
4. Approve the document that includes the PTEE.
5. Assume a commitment aimed at preventing Transnational Corruption and Bribery Risks, so that the Obligated Entity can carry out its business in an ethical, transparent and honest manner.
6. Ensure the supply of economic, human and technological resources required by the Compliance Officer to carry out his work.
7. Order the pertinent actions against the shareholders, those who have management and administration functions, the Employees, and administrators, when any of the above violates the provisions of the PTEE.
8. Lead an adequate communication and pedagogy strategy to guarantee the effective dissemination and knowledge of the Compliance Policies and the PTEE to Employees, Members, Contractors (according to the Risk Factors and Risk Matrix) and other identified interested parties.

8.2. Legal representative

1. Submit to the Compliance Officer, for the highest corporate body, the PTEE proposal.
2. Ensure that the PTEE is articulated with the Compliance Policies adopted by the highest corporate body.
3. Provide effective, efficient and timely support to the Compliance Officer in the design, direction, supervision and monitoring of the PTEE.
4. The legal representative shall propose the person who shall occupy the function of Compliance Officer, for appointment by the highest corporate body.
5. Certify to the Superintendency of Corporations the compliance with the provisions in the XIII Chapter of the Basic Legal Circular, when it shall be required by this Superintendency.
6. Ensure that the activities resulting from the development of the PTEE are duly documented, so that the information is allowed to meet criteria of integrity, reliability, availability, compliance, effectiveness, efficiency and confidentiality. The documentary supports must be kept in accordance with the provisions of 28 article of 962 Law of 2005, or the regulation that modifies or replaces it.

8.3. Compliance officer:

1. Present with the legal representative, for approval of the highest corporate body, the proposal of the PTEE.
2. Present, at least once a year, reports to the highest corporate body. At a minimum, the reports must contain an evaluation and analysis of the efficiency and effectiveness of the PTEE and, if applicable, propose the respective improvements. Likewise, demonstrate the results of the management of the Compliance Officer and the administration of the Obligated Entity, in general, in compliance with the PTEE.
3. Ensure that the PTEE is articulated with the Compliance Policies adopted by the highest corporate body.



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4. Ensure effective, efficient and timely compliance of the PTEE.
5. Implement a Risk Matrix and update it in accordance with the needs of the Obligated Entity, its Risk Factors, the materiality of the Corruption and Transnational Bribery Risk and accordance to the Compliance Policy.
6. Define, adopt and monitor actions and tools for the detection of Transnational Corruption and Bribery Risk, in accordance with the Compliance Policy to prevent Transnational Corruption and Bribery Risk and the Risk Matrix.
7. Guarantee the implementation of appropriate channels to allow any person to report, confidentially and safely, about breaches of the PTEE and possible suspicious activities related with the Corruption.
8. Verify the proper application of the plaintiff protection policy and, with respect to employees, the workplace harassment prevention policy in accordance with the law.
9. Establish internal investigation procedures to detect the breaches of the PTEE and the acts of Corruption.
10. Coordinate the development of internal training programs.
11. Verify compliance of the Due Diligence procedures.
12. Ensure the proper filing of documentary supports and other information related to the management and prevention of the Risk of Corruption and Transnational Bribery.
13. Design the methodologies for classification, identification, measurement and control of Corruption Risk and Bribery Transnational that will form part of the PTEE.
14. Carry out the evaluation of compliance with the PTEE and the Risk of Corruption and Transnational Bribery to which the Corporation is exposed.
15. Assign to the Employees who are exposed to the risks of Corruption, Transnational Bribery (TB), Money Laundering (ML) and Financing of Terrorism (FT), specific duties related to prevention.
16. Advance the review and update of the Compliance Manual, taking into consideration the regulations issued by local authorities, as well as according to changes in internal policies.
17. Inform the Board of Directors about the infractions that any the Employee has committed regarding the Business Ethics Program, so that the corresponding sanctioning procedures are carried out as it is established by the internal work regulations.
18. Present the respective reports to the control bodies.

• Requirements to be appointed as compliance officer

The natural person designated as SOCODA Compliance Officer must meet at least the following requirements:

1. Have the ability to make decisions to manage C/ST Risk and have direct communication with, and report directly to, the board of directors.
2. Have sufficient knowledge in matters of C/ST Risk management and understand the ordinary course of business of the Corporation.
3. Have the support of a human and technical work team.
4. Not belong to the administration, the corporate bodies or belong to the tax auditing body or whoever performs similar functions or acts in their stead in the Corporation.
5. When the Compliance Officer is not professionally linked to the Corporation, this natural person may or may not be linked to a legal entity.



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6. Not act as Compliance Officer, main or substitute, in more than ten (10) Corporations. To act as Compliance Officer of more than one Obligated Corporation, the Compliance Officer must certify that he does not act as such in Corporations that compete with each other.

7. When there is a business group or a declared control situation, the Compliance Officer of the matrix or controlling corporation may be the same person for all the corporations that make up the group or conglomerate, regardless of the number of corporations that make it up.

8. Be domiciled in Colombia.

8.4. Statutory auditor

The tax auditors will have the obligation to report acts of corruption to the criminal, disciplinary and administrative authorities, as well as the alleged commission of a crime against the public administration, a crime against the economic and social order, or a crime against the economic assets. that he would have detected in the exercise of his position.

They must also bring these facts to the attention of the corporate bodies and the corporation's administration. The corresponding complaints must be filed within six (6) months following the moment in which the statutory auditor had knowledge of the facts. For these purposes, the professional secrecy regime that protects the statutory auditors will not be applicable.

In compliance with his duty, the statutory auditor must pay special attention to alerts that may give rise to suspicion of an act related to a possible act of Corruption.

8.5. Human team

1. All Corporation workers must ensure transparent management in their respective areas and in the Corporation in general.
2. Know, understand and apply the Transparency and Business Ethics Manual.
3. Execute the anti-corruption controls under their responsibility and leave evidence of their compliance.
4. Report suspicious actions or incidents related to corruption, Transnational Bribery (TB), Money Laundering (ML) and Financing of Terrorism (FT).
5. Cooperate in the investigations of complaints related to corruption, Transnational Bribery (TB), Money Laundering (ML) and Financing of Terrorism (TF). carried out by the competent authorities.
6. The omission of the guidelines defined in this Manual shall be sanctioned in accordance with the provisions of the agreements, amendment, Internal Work Regulations, and other applicable documents, without prejudice to the criminal, administrative or civil sanctions indicated in the legislation.
7. Any worker who becomes aware of any of the modalities of bribery, corruption or conflicts of interest must report it immediately through the means established in the Transparency and Business Ethics Program, to the compliance officer, to the direct Manager or, if it is not pertinent, through the means of communication enabled for it, if it is through the Direct Manager, he must report it within 24 hours to the Compliance Officer.



In these cases, the worker enjoys the following guarantees:

- Confidentiality about information and people.
- Presumption of good faith. When a person reports conduct, he must do it with responsibility, it is presumed that he do so in good faith and in based on evidence or real elements.

9. Sanctions

9.1. Responsibility classification

9.1.1. Individual responsibility

The compliance with the program is mandatory and it is the duty of all the employees, the Representatives, People with functions of Advisor, Executives, Management and Administration of the Legal Entity and Senior Directors, its full compliance.

9.1.2. Laboral responsibilities

The matters related to aspects of a labor nature should only be managed through the Labor Relations Area or its equivalent in the Corporation, which, at its discretion, must define whether it is a matter of competence of the Coexistence Committee.

The cases that involving potential conflicts of interest must be addressed in accordance with the instructions issued through Human Management and the Code of Conduct through the electronic form available on the intranet or report via email to the Administrative Management.

9.2. Santionatory regime

The Superintendency of Corporations, stipulates the imposition of fines and/or sanctions to the legal entity, which incurs in conducts set forth in 2 article of 1778 Law of 2016, according to the graduation criteria of 7 article of the same Law, with a fine of up to two hundred thousand (200,000) current legal minimum wage.

Sanction Graduation Criteria: They will be imposed by the Control Entity, according to the conduct, existence, effectiveness, execution of the program.

Provisions in Penal Matters: The Transnational Bribery is classified as a crime in the Colombian Penal Code, in 433 article, in terms of imprisonment, disabilities and monetary sanctions.

The Legal Representative, the Highest Corporate Body, Members and Compliance Officer, know the provisions and the administrative and criminal sanctions for non-compliance with the instructions given by the Superintendency of Corporations, in matters of Transparency and Business Ethics, according to the conducts provided for in 2 Article of 1778 Law of 2016.

In matters related with the workers linked to the Corporation: it must proceed in accordance with the legal labor regulations and the internal work regulations of the Corporation.

Suppliers of goods and services and distributors: They must comply with what is contractually agreed in the legal act that regulates the obligations and rights of the parties and the forms provided by law to terminate the relationship if necessary.

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Governmental Authorities: If it were the case, with the respective complaint before the competent control entities.

10. Dissemination and training

The disclosure of the Transparency and Business Ethics Program must be done through publication on the intranet, emails, the Corporation's website, and/or through billboards in the corporation's operation centers, guaranteeing access and knowledge to all stakeholders.

The employees training on this matter must be carried out through the digital platforms, and/or personally, from the induction process, and it must be in charge of the Compliance Officer or the Corporation's training and the induction area; Likewise, the periodic socializations of the same shall be carried out, at least once a year.

11. Validity and approval

The Board of Directors of the corporation approves this Manual that supports the Transparency and Business Ethics Program. Therefore, it be in force from April 30, 2021 and will be published on the Corporation's website www.socoda.com.co

The Compliance Manual shall be updated as required, especially when there are changes in the operation that modify the risks of bribery and corruption, according to a proposal made to the Board of Directors by the Compliance Officer on the policies, methodologies and existing processes that need to be adjusted.

The Compliance Officer is responsible for reviewing and updating the Compliance Manual, taking into account the regulations issued on the subject in question.

Document change tracking

| Version No. | Date | Description of the change: | Produced by | Reviewed by |
|-------------|------------|---|----------------------|--------------------|
| 01 | 04/28/2021 | Creation of the document associated with the legal management process. | Human talent manager | Board of directors |
| 02 | 07/08/2022 | Document update Change the name from manual to program. Change coding GJ-ML-01. Change the document cover. | Legal director | Board of directors |

