



Approved on: 8/19/2016

Version: 3.

Approved by: Steering
Committee

Fraud, Bribery and Corruption Risk
management Policy

Fraud, Bribery and Corruption Risk Management Policy

Fraud, Bribery and Corruption Risk Management Policy

Under development of the Code of Business Conduct, Celsia S.A. (hereinafter Celsia or the Company), has decided to implement a system to manage the risk of Fraud, Bribery and Corruption, with the goal of establishing control measures aimed at preventing their occurrence.

OBJECTIVE

The main objective of this Policy is to establish general action parameters that must be followed by all Employees, Administrators, Shareholders, Directors and Third-Party Business Associates, with the goal of minimizing the occurrence of situations associated to risks of Fraud, Bribery and Corruption.

In addition, this policy seeks to establish guidelines to identify, measure, control, investigate and correct situations of Fraud, Bribery and Corruption, promoting the establishment of a culture of compliance, safeguarding Celsia's reputation, and uplifting the values enshrined in the Code of Business Conduct.

SCOPE

This policy is applicable to all Employees, Administrators, Shareholders, Directors and Third Parties associated to Celsia who have declared to know and have accepted the policy.

POLICY

Celsia has adopted a position of **zero tolerance** of Fraud, Bribery and Corruption. As a result, it consistently seeks to implement best practices against these activities in all the markets in which it operates.

In compliance with this policy, Celsia:

- a. Abstains from participating in any type of Fraud, Bribery or Corruption practice directly or indirectly in Colombia or any country where the company has a presence.

- b. Takes every necessary measure to tackle Fraud, Bribery and Corruption in any shape or form.
- c. Promotes and establishes an institutional culture in the Company that is anti-fraud, anti-bribery and anti-corruption.
- d. Does not tolerate when its Employees, Administrators, Directors and Third-Party Business Associates obtain economic, business or any other benefits in exchange for violating the law or acting in a dishonest manner.
- e. Have rules of conduct to prevent the promotion of any type of Fraud, Bribery and Corruption.
- f. Create an environment of transparency, integrating the different systems created to prevent, detect and respond to Fraud, Bribery and Corruption, maintaining adequate channels to allow communication of said events within the Company, and coordinating the set of actions necessary to prevent, detect and respond to possible situations of Fraud, Bribery and Corruption.
- g. Prioritize activities to prevent Fraud, Bribery and Corruption without diminishing efforts aimed at detecting and correcting them.
- h. Assess indicators of alleged acts of Fraud, Bribery or Corruption under the principles of confidentiality, integrity, transparency, objectivity, independence and autonomy for those responsible for the assessments.
- i. Manage all claims of Fraud, Bribery and Corruption activities in a timely manner, regardless of their scope or of the personnel involved, guaranteeing confidentiality, objectivity, respect and transparency. No person shall suffer negative consequences from preventing, rejecting or denouncing an act of this nature.
- j. Abstain from dealing with Employees, Administrators, Directors or Third-Party Business Associates that have been sentenced for criminal activities related to Fraud, Bribery or Corruption.
- k. Have guidelines and methodologies in place to identify, measure, control and monitor risks of Fraud, Bribery and Corruption, and associated risks to the Company.
- l. Have a procedure to hire Employees, Administrators, Directors and Third-Party Business Associates.
- m. Comply with regulation applicable to securities issuers for purposes of dealing with

Shareholders.

- n. Have a Transparency Hotline to handle claims of non-compliance of the provisions of The Code of Business Conduct, including improper acts related to Fraud, Bribery and Corruption.
- o. The contributions, donations or sponsorships granted by the Company to charities, foundations, associations, non-governmental organizations or non-profit institutions, will always have a legal purpose and can never be used to cover up acts of fraud, corruption or bribery. Before making contributions, donations or sponsorships, the Company must apply the due diligence mechanisms defined by the Company for the participation and knowledge of third parties.
- p. The Company will be able to make contributions to finance electoral campaigns, parties or political movements that aim to promote democracy. If they are made, these contributions will always be in accordance with current legislation, they will be adjusted to the maximums established by the competent authority and in no case will they aim to obtain undue advantages.
- q. Does not make any kind of kidnapping or extortion payments nor do we offer any type of collaboration to criminal or terrorist groups.

In compliance with this policy, Celsia Employees:

- a. Abstain from participating in any type of Fraud, Bribery or Corruption practice, directly or indirectly in Colombia or any country where the company has a presence.
- b. Do not obtain economic, business or any other benefit in exchange for violating the law or acting in a dishonest manner.
- c. Abstain from using Celsia or their employment relation to commit acts related to Fraud, Bribery or Corruption.
- d. Comply with all rules of conduct, guidelines and procedures established by the Company, as well as outside regulations, in order to prevent any type of Fraud, Bribery and Corruption in the exercise of their duties.
- e. Report any act related to Fraud, Bribery or Corruption as soon as they become aware thereof, regardless of their scope or personnel involved.
- f. When requested, the company will fill out the assets and income statement.

In compliance with this policy and once it is known and accepted by the Third Associates:

- a. They abstain from participating in any form of Fraud, Bribery, or Corruption practice directly or indirectly in Colombia or in any country where the Company has a presence.
- b. They take the necessary measures to fight against Fraud, Bribery and Corruption in whatever form or typology in question.
- c. They promote and establish an anti-fraud, anti-bribery and anti-corruption culture.
- d. They do not tolerate that their employees, administrators, directors and associated third parties obtain economic, commercial or any other results, in exchange for violating the law or acting dishonestly.
- e. They do not use Celsia, nor their commercial relationship with it, to commit acts related to Fraud, Bribery or Corruption.
- f. They have rules of conduct in order to prevent the promotion of any form of Fraud, Bribery and Corruption.
- g. In accordance with the regulations applicable to their operations and considering the complexity of the business, they have guidelines and methodologies to identify, measure, control and monitor the risk factors of Fraud, Bribery and Corruption.
- h. They have a due diligence procedure for linking third parties, which allows them to know who they are relating to and if there is any risk (related to this policy) in such linking.
- i. They do not make any kind of kidnapping or extortion payments nor do they offer any type of collaboration to criminal or terrorist groups.

PARTY RESPONSIBLE FOR OVERSIGHT AND APPROVAL:

This policy is approved by the Steering Committee and may be updated upon recommendation by the Audit, Finance and Risk Committee or Board of Directors.

The Steering Committee, with assistance from the Conduct Committee, may review this policy as necessary and propose any amendments deemed pertinent.

PARTY IN CHARGE:

The following are responsible for reviewing and updating this Policy and establishing and carrying out the activities necessary for its implementation:

- Business Conduct Committee

- Compliance
- Internal audit

The Board of Directors, directly or through its Audit, Finance and Risk Committee, may recommend modifications to this Policy.

CONSEQUENCES OF NON-COMPLIANCE

Failure to comply with the Policy will constitute a violation of the employment or commercial contract with Celsia and will entail the application of violations that may even lead to the termination of the corresponding contractual relationship. Furthermore, it may involve limitations imposed by the competent authorities.

DEFINITIONS

Fraud: In accordance with the Code of Conduct, fraud consists of “Any intentional act or omission designed to deceive others, carried out by one or more persons, in order to take possession of, take advantage of, or get hold of third-party property, whether it is material or intangible, to the detriment of another and usually due to the lack of knowledge or malice of the affected party.”

Bribery: It is understood as the act of paying a secret commission to another individual and includes: (i) the act of offering, promising or giving an economic advantage or benefit of any kind on the part of Employees, Administrators, Shareholders, Directors or Third Parties Associated to the Company with the intent to influence the improper execution of a business or public duty, particularly when said offer, promise or payment is considered dishonest, illegal, or a breach of trust to the benefit of Celsia or a third party (active bribe); and (ii) the act of soliciting, arranging, receiving or accepting an economic advantage or benefit of any kind on the part of an Employee, Administrator, Shareholder, Director or a Third Party Associated to Celsia, with the intent of committing an improper function or activity which implies a dishonest or illegal act or a breach of trust (passive bribe)¹.

Corruption: defined by Transparency International as “abuse of power”. Includes any dishonest activity in which Employees, Administrators, Shareholders, Directors or

¹ Definition taken from Australian Standard “AS 8001-2008 Fraud and Corruption Control”

Third-Party Business Associates act in a manner that is contrary to the Company's interests and abuse their position of trust to obtain some personal gain or advantage for themselves or others. It also involves corrupt conducts on the part of the Company, or a person pretending to act on its behalf, seeking to ensure a direct or indirect undue advantage for Celsia².

Third Party Business Associate: a person providing services to the Company or acting on its behalf, regardless of the contractual relation that binds them. Some examples of associated persons include contractors, suppliers, companies in which it holds more than 50% of the stock, or in which there is joint control, outsourcings, strategic partners, etc.

Other terms used in this policy that are capitalized are defined in the Code of Business Conduct Glossary.

CHANGE CONTROL

VERSION	DATE	JUSTIFICATION FOR THIS VERSION
1.	1/31/2014	Document creation.
2.	8/19/2016	Amendment to the policy name and adjustment of its content.
3.	28/07/2020	Adjustments to better practices (contributions, donations and sponsorships), inclusion of the Third Party Associate section
4.	05/10/2021	Inclusion of the reference to the prohibition of extortion and kidnapping payments.

² Definition taken from Australian Standard "AS 8001-2008 Fraud and Corruption Control"