



## **POLICY FOR COMPLIANCE WITH THE TRANSPARENCY AND BUSINESS ETHICS PROGRAM FOR PREVENTING THE RISK OF CORRUPTION AND TRANSNATIONAL BRIBERY**

Transnational corruption and bribery may occur in multiple environments, which if not properly managed and controlled, may affect The Company's sustainability and continuity, affecting in turn the interests of its shareholders, directors, employees, suppliers, vendors, and all other stakeholders.

This is why the following policies are defined to protect The Company from these types of situations, compliance with which is mandatory.

### **6.1 General Compliance Policy**

ACEROS is strict regarding compliance with its corporate values, and committed to fighting transnational corruption and bribery, therefore it does not accept any of its stakeholders engaging in any of the conducts that are against the program, and which entail C/ST risks.

It is for this reason that it fosters a transparency culture in which the actions relating to The Company are framed within ethical and transparent parameters, banning transnational corruption and bribery.

To avoid these types of conducts, the General Compliance Policy as defined by the Board of Directors, is laid out hereunder:

- Strict compliance with the Program is required from all counterparts (shareholders, employees, directors, suppliers, third parties).
- Engaging in corrupt conducts or which constitute transnational bribery is forbidden.
- Any conduct that opposes The Company's corporate values will not be accepted.
- The Ethics Hotline is open to all stakeholders, ensuring the confidentiality of the information received and the protection of the informer or whistleblower, those involved, and the reported party.
- If workplace harassment occurs for reporting conducts that oppose the Program using the Ethics Hotline, the employees must be protected.
- All persons who are engaged as employees must attend the training sessions.
- The Transparency and Business Ethics Program must be disseminated among all the stakeholders.
- All counterparts must subscribe the statement whereby they declare to be aware of and are committed to comply with the rules laid out in the Transparency and Business Ethics Program.
- All the employees of ACEROS must make sure that their duties always foster and reinforce a transparency culture in order to ensure that all actions involving The Company favor ethical values above commercial purposes.



- It is forbidden to give, offer or promise a local or foreign public official (directly or indirectly) i) money, (ii) any object with monetary value, or (iii) any other benefit or favor, in exchange for said public official to: (i) carry out, (ii) omit, (iii) or delay any action relating to the exercise of his/her duties, and linked to a national or international business or transaction.
- Any concern, query, or report resulting from knowing of or suspecting any conduct that violates the Program must be made via the Ethics Hotline [lineaetica@acerosindustriales.com](mailto:lineaetica@acerosindustriales.com) submitting as many pieces of evidence possible supporting the reported event or irregularity, guaranteeing the confidentiality and legal security of, and no retaliation against, any person filing a report using the Hotline.
- Any counterpart that infringes the Program's rules will result in the immediate termination of the contractual relationship in force.

## 6.2 Due Diligence on High-Impact National and International Negotiations Policy

Within its rules and regulations, The Company has established the need to know the parties with which it will engage in business prior to the subscription of any high-impact national and international negotiations.

To do so, it is essential that the manager of a negotiation inform the Compliance Officer as provided in Schedule 5 of the PTEE Due Diligence, with a view to supporting the due diligence of the operation; this will take place by verifying compliance with the legal, accounting, and financial conditions.


The Compliance Officer will oversee that the negotiation abides by the Program's policies, informing the manager whether the counterpart's creation and inscription process will proceed.

The business and the counterpart will be re-evaluated each year, unless a major change occurs requiring an immediate assessment, as the Compliance Officer may deem relevant.

Considering the foregoing, new risks to which ACEROS may be exposed may be found during the processes entailing the consolidation of a high-impact national or international transaction, defining new control to mitigate the risks, should they be required.

The analysis conducted determines the relevant aspects to the operation and the personnel involved, this being a preliminary control that protects The Company's interests, minimizing risks and allowing for the traceability of the negotiation and its transparency.

The scope of the Due Diligence will be variable, due to the purpose and complexity of the contracts, the compensation of the Suppliers and the geographic areas where their activities take place.

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Inscription with The Company will not be completed until this requirement has been fulfilled in its entirety.

### 6.3 Policy for Engaging Employees

Before hiring new Directors and Employees, the Human Resources department will conduct a selection and engagement process, whereby the information needed to conduct the Due Diligence on the candidates for employment at ACEROS will be requested, namely:

- i. Interview.
- ii. Verification of employment references
- iii. Fill-out the interview form
- iv. Verification of PEPs so that if the candidate has been classified as such, the intensified due diligence defined by ACEROS may be carried out.
- v. Verification in control lists on the technological platform acquired by The Company.

(Should the candidate be included in any of the said lists, the SAGRILAFI Compliance Officer must be consulted, so the latter may decide whether or not to continue the selection process).

- vi. Execution of the employment contract, which includes a statement whereby they declare to be aware of and are committed to complying with the Program.
- vii. Existing employees will sign an addendum stating that they will comply with the Transparency and Business Ethics Program.

### 6.4 Policy on Gifts and Entertainment

This Policy seeks to guide employees and suppliers on what is and is not appropriate when intending to receive or give gifts or entertainment, so that the decisions that must be taken considering a contractual relationship will not be influenced.

It is the responsibility of each employee to analyze and personally reflect as to whether the gift or invitation may or may not be interpreted as an action conducive to changing or influencing a decision that must be made vis-à-vis engaging a third party, giving them preferential treatment, favoring them in a service, renewing a contract, receiving a personal benefit, among others.

And so in order to prevent conducts that may constitute corruption and infringe The Company's PTEE, it has laid out the following criteria concerning:

- a. Gifts or entertainment that may be accepted by the employees:
  - i. If the sum involved is lower than 25 % of one (1) legal monthly minimum wage in force - SMMLV.



- II. If the gift or entertainment is corporate, i.e., those gifts or entertainment that are given to promote the services offered by the giver and bear the logo of the third-party company.
- III. Congratulation cards, recognition plaques or statuettes, or thanks or acknowledgements for services provided.
- IV. The context in which the gift or entertainment is given is not influencing the decision of the recipient in favor of the giver.
- V. Whenever dealing with an invitation, its only purpose must be to foster commercial loyalty and not be recurrent. Recurrent is understood as more than three (3) invitations in one semester.

The foregoing must not constitute undue rewards nor serve to unduly influence or put pressure on the employees of ACEROS by the giver, nor become the source of the conveyance of information concerning the offer of a competitor, or an ongoing acquisition process, or the maintenance of a contract or a contractual clause to the benefit of the giver.

b. Banned/forbidden gifts and entertainment:

- I. Travel, hotels, cruises, shows, sporting events.
- II. Brand or luxury items, including fine wine, jewelry, or high-end electronics, among others.
- III. Those given by a local or foreign public official.
- IV. Cash, wires, bonds, discounts in commercial establishments to purchase goods or services, among others.
- V. Gifts, invitations, or entertainment to local or foreign public officers.

c. Special authorizations:

Invitations by third parties to training sessions or events relating to the position or the duties of the employee, must be authorized in writing by the General Manager.

d. Gifts or entertainment given by ACEROS:

Gifts may be given to suppliers and clients only with the prior and written authorization of the General Manager (suppliers) and the Sales Director (clients), and duly recorded in accounting books. If in doubt as to the possibility of giving or receiving a certain gift, the Compliance Officer must be consulted.

## **6.5 Policy on the Compensation and Payment of Commissions to Employees and Suppliers**

- i) Compensation and payment of commissions to suppliers

All negotiations entailing an international business or transaction must be in writing and will be assessed within the Due Diligence process in place as part of the controls established to minimize C/ST risks.



If commissions are established in favor a supplier as part of a local or international business, this must be laid out in a contract to avoid payments concealed in commissions, a practice that is expressly forbidden.

Payments under these concepts will be made via bank wires and clearing accounts [*cuentas de compensación*] whenever the case and must be duly backed by invoices prepared under the contractual terms in force, so they may be deposited into the bank account registered by the supplier upon its inscription.

ii) Compensation and payment of commissions to employees

ACEROS only recognizes the payment of compensations to employees in accordance with what was agreed to in the employment contract and the addenda executed by the parties.

Payments will be made in a bank transaction and deposited into the employee's bank account registered upon inscription, which is registered with the payroll department.

Any payment that does not comply with this policy is forbidden.

If any type of commission is payable in favor of the employees, this must be in writing.

### **6.6 Policy on meals, accommodation, and travel expenses.**

Meals, accommodation, and travel expenses will be authorized as long as the Travel Policy is strictly complied with.

These expenses are exclusively incurred to carry out the duties the person requesting them must carry out, so that they are only related to the services rendered by the Company.

Once the trip has ended, a list of travel expenses must be submitted in the form established to this end. It is mandatory for all employees traveling locally and abroad and/or visiting clients and suppliers to report and inform, upon legalizing the expenses, the invitations made and received, justifying their motives.

The Compliance Officer may inspect at any time compliance with this policy.

### **6.7 Policy on Political Contributions**

The Company, in compliance with its ethical values and principles, is aware that any type of political contribution may entail the risk of corrupt conducts.



Due to the foregoing, the Board of Directors will be the only organ authorized to approve contributions with the purpose of financing political candidates, campaigns, parties, or movements. These contributions will be made following the guidelines and ideologies of the Shareholders.

The decision and approval of a political contribution must be registered in the minutes and reported to the Compliance Officer.

### **6.8 Policy on Donations**

Should ACEROS INDUSTRIALES S.A.S make or decide to make donations, these must be authorized by the General Manager, with the prior verification of the following conditions by the Compliance Officer:

- i. The due diligence has been conducted to gain actual and in-depth knowledge of the beneficiary.
- ii. The tax aspects of the donation have been evaluated.
- iii. A formal donation petition was made by the beneficiary unless the donation initiative directly originated from the General Manager.

Once the General Manager has approved the donation, it must be duly supported in a Donation Certificate and Delivery Certificate.

### **6.9 Policy on Conflicts of Interest**

The purpose is to protect the integrity and transparency of the decisions and operations made internally in ACEROS, guaranteeing that should a potential conflict of interest occur, it is avoided or the corresponding measures conducive to managing said conflict are defined, ensuring that no personal benefits in favor of the employees result therefrom.

It is understood that a person incurs in a conflict of interest whenever the decisions they make are for their own benefit or that of a third party, in opposition to what is expected from their role or position.

ACEROS expects the following from all its employees:

- To act in good faith.
- Must be trustworthy and honest.
- Must acknowledge that there are situations which may compromise the impartiality and objectiveness of their corporate decisions.
- Avoid situations of conflict of interest.



- Make sure that the decisions to be made by virtue of their position do not involve personal interests.

Therefore, if a potential conflict of interest arises, which may constitute a potential personal benefit, this situation must be reported providing all the details deemed relevant in a Declaration of Conflict of Interest, or via the Ethics Hotline.

Once the conflict of interest has been reported, it will be studied by the Compliance Committee, who will analyze the situation and inform the employee involved in the conflict if said conflict exists or not, and the measures to be taken in each case.

- Founding or investing in a competing business
- Investing in the business of a client or a supplier.
- Family relationship of the employee (spouse, parents, siblings, and children) with third parties whose activities may compete with the activities of Aceros.
- Conduct personal commercial negotiations with a client, supplier, or company of a competitor or hold shares in any of them.
- Directly or indirectly accept advance payments, loans, guarantees or services and/or gifts with the intention of influencing any decision.
- Couples working in the same areas, or in different areas but with a subordination relation.
- Siblings, cousins, or close relatives working in the same areas, or in different areas but with a subordination relation.

It is understood that the previous examples are not restrictive, and that it is the legal and ethical duty of the employees to report any circumstance they consider must be known by The Company.


The way in which the reported conflict of interest is managed will be recorded in a certificate signed by each member of the Compliance Committee.

Likewise, all clients and suppliers undertake to report any conflict of interest during the inscription, or information update process, or to the Ethics Hotline throughout their commercial relationship.

All the employees of ACEROS must fill out each year the Conflict-of-Interest Statement.

#### **6.10 Policy on Document Filing and Keeping Procedures**

Each area will ensure the integrity and conservation of the documents created when engaging in national and international businesses or transactions.

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Likewise, the Compliance Officer will keep the supporting documents part of the Transparency and Business Ethics Program.

The following are part of the files:

- PTEE approval minutes
- This document containing the Program.
- Documents supporting the updates made to the Program.
- The reports submitted to the Board of Directors.
- The documents supporting the training given to employees.
- Presentations made to the multiple stakeholders.
- Communications strategy
- The Due Diligence evaluation conducted in international negotiations.
- The procedures setting up the PTEE.
- The reports submitted by the Statutory Auditor, along with the corresponding response and the activities supported.
- Risk matrix and its corresponding updates.
- The reports received through the Ethics Hotline and the outcome of the investigation.
- Documents supporting compliance with the policies established and the audits conducted to verify compliance.

The documents will be kept for a 10-year period; prior to their destruction the Compliance Officer must issue his/her authorization.

## REPORTS RELATING TO TRANSNATIONAL BRIBERY AND CORRUPTION

### a. Internal report: Ethics Hotline

The Company provided for the creation of an Ethics Hotline through which shareholders, directors, employees, suppliers and third parties may report any undue conduct configuring, or which may configure, transnational corruption or bribery that may affect ACEROS.

The reports may be made anonymously. However, in case of providing personal information, strict confidentiality is guaranteed to protect the identity of the informer, the reported, and all others involved in the case.

Once the report is received it will be analyzed by the Compliance Officer, who may summon the General Manager and the Human Resources Manager to a meeting to analyze the report.

Furthermore, employees may use these channels to consult on the application of the Program, the Ethics Code or to seek advice in an eventual situation involving bribery or any other corrupt conduct.





All stakeholders may make their reports to the Ethics Hotline for all stakeholders to this email address: [lineaetica@acerosindustriales.com](mailto:lineaetica@acerosindustriales.com)

The Compliance Officer is responsible for the documentation linked to risks, analyses, reports, and investigations related to the Program; said Compliance Officer must keep confidential all the information reported to the competent authorities.

The Compliance Officer will keep a record of the reports received relating to the Program, describing the closure of the investigation, and guaranteeing that there will be no retaliation against the informers.

To do so, the operation of the Coexistence Committee will be guaranteed for workplace harassment cases.

**b.** External report: Superintendence of Companies Report

All shareholders, directors, employees, suppliers and third parties may file reports relating to transnational bribery using the channel provided by the Superintendence of Companies, here:

[https://www.supersociedades.gov.co/delegatura\\_aec/Paginas/Canal-de-Denuncias-Soborno-Internacional.aspx](https://www.supersociedades.gov.co/delegatura_aec/Paginas/Canal-de-Denuncias-Soborno-Internacional.aspx)

## **1. PENALTY/SANCTION SYSTEM**

The provisions herein laid out must be strictly complied by all The Company's employees. Therefore, failure to comply therewith will entail the opening of a disciplinary process and its corresponding investigation to determine the misconduct, in accordance with the provisions of the employment contracts and/or The Company's Internal Workplace Rules.

The penalties or sanctions will be applied to all Employees whose involvement in the engagement, or attempted engagement in a conduct that infringes the Program has been proven, recording the evidence in an investigation report, along with the findings, all of which will be included in the record of the reports received by the Compliance Officer.

Suppliers and external counterparts must comply with the Program; otherwise, their commercial relationship will be terminated, should they incur in bribery or other corrupt practices.

- Administrative and criminal sanctions
- Law 1778 / 2016



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The Company must avoid the occurrence of the conducts established in Article 2 of Law 1778 / 2016, to avoid the imposition of administrative sanctions under the terms provide by law, without prejudice to the criminal liability that may be attributed to the Legal Representative of the legal entity.

According to the provisions of Article 5 of the aforementioned law:

“The Superintendence of Companies will impose one or several sanctions to legal entities engaging in the conducts defined in Article 2 herein. The imposition of the sanctions will take place in a resolution stating the grounds thereof, in consonance with the graduality criteria laid out in Article 7° herein:

- Fine of up to two hundred thousand (200.000) legal monthly minimum wages in force.
- Disqualification from entering contracts with the Colombian State for up to twenty (20) years. Said disqualification from entering State contracts will start on the date of enforcement of the resolution in which the sanction was issued. This disqualification will be imposed on legal entities in accordance with the provisions of Article 8 of Law 80 / 1993.
- Publication in wide-circulation media and on the sanctioned legal entity's website of the administrative decision issuing the sanction, for no more than one (1) year. The sanctioned legal entity will bear the costs of this publication.
- Ban on any type of government incentive or subsidy for 5 years.

PARAGRAPH. Once the administrative act whereby the sanctions covered by this law has been enforced, it must be included in the trade registry of the sanctioned legal entity.

The Superintendence of Companies will forward the administrative act to the Chamber of Commerce of the legal entity's domicile (...), so it may be included in the corresponding certificate of incorporation and legal representation.”

- Law 2195 / 2022

Should The Company be sentenced due to corruption, this will entail the permanent disqualification from entering contracts with the Colombian State, regardless of the individual criminal liabilities applicable, the removal of the directors or other employees who were criminally convicted and/or the dismissal of those who tolerated or consented to the conduct of the criminally convicted individual.

## **PROGRAM TRAINING AND COMMUNICATIONS**

- Training:

The Company will organize training relating to the Program as a part of the onboarding process, and each year for all its employees.



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If a situation requiring the modification of the Program arises due to the identification of new C/ST risks, it will be necessary to organize specific training sessions with the leaders of the affected processes.

Training sessions will be organized with the purpose of raising awareness among all shareholders, directors, employers, suppliers and third parties on the importance of preventing and controlling C/ST risks.

- Communications:

The Company will devise a communications plan to disseminate the Program to all employees and suppliers.

Likewise, a strategy will be conceived to maintain and strengthen a transparency culture, that is in line with the contents of the Code of Ethics and of this Program, and which will be applicable to both employers and suppliers.

The foregoing will serve as evidence of ACEROS's diligence in its commitment to reject transnational corruption and bribery.