

# **BUSINESS GUIDELINE**

**VERSION 02**

**January 2020**



## **GUIDE FOR APPLYING THE ANTI-BRIBERY, ANTI-CORRUPTION AND ANTI-FRAUD POLICY (AAA POLICY) FOR THIRD PARTIES**

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## 1. OVERVIEW

### 1.1. WHY AN ANTI-BRIBERY, ANTI-CORRUPTION, AND ANTI-FRAUD POLICY APPLICABLE TO THIRD PARTIES

- For third parties to reiterate their commitment to conduct their management with integrity<sup>1</sup> in their engagement with ISAGEN.
- To support and comply with national and international norms in the fight against corruption and bribery.
- For third parties and their subcontractors to protect themselves against possible risks of bribery, corruption and fraud.

### 1.2. TO WHOM IS IT APPLICABLE?

- To individuals and companies, hereinafter “Third Parties”, who are engaged with ISAGEN (suppliers and contractors).
- To third parties' employees and subcontractors that provide services within ISAGEN's facilities or represent us in virtue of the contract.

### 1.3 REPORTING

Third Parties must use the mechanisms defined by ISAGEN for reporting situations included in the AAA Policy and in this Guide.

#### 1.3.1 Reporting on their actions

In this Guide, a series of situations are mentioned that require traceability thereon, in the event of a Third Party who identifies a potential conflict of interests in the provisions of its service or the supply of goods to ISAGEN, must report it to the process Manager with whom the contractual relation exists, copying the contract Supervisor at ISAGEN and the Ethical Dilemma Mailbox ([dilemaseticos@isaen.com.co](mailto:dilemaseticos@isaen.com.co)) and wait for the reply of said Manager before undertaking the reported activity.

#### 1.3.2 Reporting on third parties

Should the third party identify a breach of the AAA Policy or of this Guide

- By an employee, director or member of the Board of Directors of ISAGEN
- By an employee, director or subcontractor of their company who is involved in the provisions of the service or the supply of goods to ISAGEN and during the execution of the contract or agreement
- By any stakeholder that affects ISAGEN

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<sup>1</sup> Integrity for ISAGEN means: *Being honest, responsible, respectful and authentic in our relationship with others and in performance of our duties. It means acting correctly, seeking coherence among what we think, state and do.*

The foregoing must be reported to the Ethics Channel:

Telefax: [01 8000 41 00 27](tel:018000410027) / [+57 \(4\) 361 53 20](tel:+5743615320)

Email: [lineaetica@isagen.com.co](mailto:lineaetica@isagen.com.co)

### **1.3.3 Changes of Manager, Members of the Board of Directors or Statutory Auditor**

Should the Third Party change its manager, any member of the Board of Directors or the Statutory Auditor during the execution of the contractual relationship, it must be reported to the process Manager of ISAGEN with who the relationship exists for purposes of due diligence application.

## **2. MAIN ASPECTS OF THE POLICY**

The provisions established by ISAGEN with respect to the risk of Bribery, Corruption and Fraud are in the current version of the Anti-bribery, Anti-corruption, and Anti-fraud Policy (AAA Policy), available at the following link:

<https://www.isagen.com.co/SitioWeb/delegate/documentos/sostenibilidad/practicas/politica-anti-soborno-anti-corrupcion-anti-fraude.pdf>

This guide emphasizes some particular elements to be considered by third parties that are engaged with ISAGEN.

### **PROVISIONS RELATED TO CORRUPTION**

#### **2.1.1. Facilitation Payments**

Third parties are prohibited from making “Facilitation Payments” on behalf of ISAGEN.

If a public official asks a Third Party for payment to facilitate any process for ISAGEN, the third party should:

- Abstain from making the payment.
- Ask the public official for the regulation that governs the payment being requested.
- If applicable, ask to speak with the public official's immediate supervisor to request clarification about the request for payment.
- Report the case according to the provisions of numeral 1.3.1 of this Guide.

#### **2.1.2. Contributions to Political Parties, Candidates or Representatives Thereof and Participation in Politics**

ISAGEN does not engage in any type of economic or in-kind contribution, directly or indirectly, nor does it facilitate resources or facilities to political parties or their representatives. Therefore, third parties may not conduct the aforementioned activities on behalf of ISAGEN.

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ISAGEN's facilities and resources shall not be utilized to conduct political campaigns such as political rallies or political propaganda (t-shirts, cars with banners, etc.).

No manager, employee or subcontractor of a third party acting in the framework of a contract or agreement with ISAGEN shall utilize its position to affect or influence its employees or subcontractors for political purposes.

### **2.1.3. Gifts and Entertainment**

It is prohibited to offer gifts to ISAGEN employees that fall outside the definition of the AAA Policy (surpassing the established amount, being repetitive, periodic or ostentatious even if they are institutional)

Third parties shall not request, give or offer gifts, entertainment expenses or hospitalities on behalf of ISAGEN, especially to public officials.

It is prohibited to give or offer trips to ISAGEN employees, including associated costs, unless it is stipulated in the contract signed with ISAGEN. Said contract shall comply with the same conditions defined by ISAGEN.

Any invitation to ISAGEN employees or representatives to seminars, conventions or sponsorships to events in the framework of the contract or agreement shall be reported to ISAGEN, as indicated in numeral 1.3.1.

In general, it is recommended that third parties abstain from receiving, giving or offering gifts, entertainment expenses or hospitalities to ISAGEN employees or representatives, or to third parties on behalf of ISAGEN, especially to public officials.

### **2.1.4. Donations and Sponsorships**

Third parties shall not request, give or offer any type of donation or sponsorship on behalf of ISAGEN, especially to public officials.

### **2.1.5. Relationships with Public Officials**

For purposes of the AAA Policy and its application guide, a "Public Official" is:

- Employees of government agencies
- Employees of an entity that is owned or controlled by the Government
  - Banks, public utility companies, hydrocarbons
  - This may include hospitals, insurance companies, mining companies, etc.
- Representatives of political parties or candidates to political positions
- An official or employee of an international organization (such as United Nations, World Bank, IDB, OAS, etc.),
- Any person acting on behalf and representation of any of the foregoing.

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Third parties that, in developing their contractual obligations, permanently interact on behalf of ISAGEN with “Public Officials” shall consider whether any of the following may occur before or after holding a meeting:

- A conflict of interest materializes
- A possible risk of fraud or corruption is identified
- The meeting intends to engage ISAGEN in political campaign activities
- In general, when the third party has concerns about the meeting that merit previous or subsequent guidelines by ISAGEN, and the situation requires traceability

In such cases, the situation shall be reported in accordance to the provisions of Numeral 1.3.1.

**Other Guidelines for Relating with Public Officials on Behalf of ISAGEN:**

- Only address topics for which the meeting was called and authorized
- Abstain from making comments that exceed its authority and responsibility that compromise ISAGEN's good name or that of any other entity or person, or that have or may have political effects.
- Keep from disclosing information for which it is not authorized
- Ensure that, as much as possible, at least two employees from its own company take part in the meetings, and if possible, one from ISAGEN.
- Conduct the meetings at the public Official's facilities, its company's or at ISAGEN's own facilities.
- If a Politically Exposed Person (PEP), as defined in Decree 1674 of 2016, takes part in the meeting, the fact shall be reported prior to the meeting, and must be accompanied by another employee. If the third party finds out about the PEP's participation during the meeting, it shall report the fact no later than five (5) days after said meeting. If meetings with a PEP take place because of the normal course of the contractual activities and are not related to the aforementioned cases, it is not necessary to report them.

**PROVISIONS RELATED TO FRAUD**

**2.2.1 Misappropriation of Intangible Assets**

- The misappropriation of any intangible asset belonging to ISAGEN (use of software licenses not in accordance with the specified procedure, use of personal computers on ISAGEN's network with illegal software, technological abuse, unauthorized access to ICT and information, improper use of technological resources and the alteration, leak or theft of restricted information, to name a few) is not permitted at ISAGEN
- If the third party is required to use ISAGEN's information for academic purposes, i.e., is a teacher or student, said situation shall be reported in accordance with the specified mechanism (Numeral 1.3.1).
- The use of ISAGEN's information for advice or consultations, commerce or any other type of activities for business purposes is prohibited.

## **2.2.2 Money Laundering and Financing of Terrorism (ML/FT)**

**ISAGEN** forbids any type of ML/FT related activity

- It is the third party and its subcontractors' responsibility to comply with national and international laws, conventions, treaties and other instruments ratified by Colombia related to preventing and punishing Money Laundering and Financing of Terrorism, and said responsibility is stipulated in the clauses of its contract or agreement with ISAGEN.
- When a third party becomes aware of or suspects that a Money Laundering or Financing of Terrorism activity has been committed by its employees, subcontractors or other third parties during their engagement with ISAGEN, the matter shall be reported in accordance with that defined in Numeral 1.3.1.

## **2.2.3 Extortion**

In the event that an employee or manager of the third party is subject to a situation of extortion, pursuant to the definition thereof in the AAA Policy in the framework of the contracts or agreements with ISAGEN, said situation shall be reported in accordance with the provisions of Numeral 1.3.1. The foregoing shall not prevent compliance with the Law nor a report to the competent authorities.

## **2.2.4. Undeclared Conflicts of Interest:**

The following list includes, but is not limited to, particular situations for third parties that may represent potential conflicts of interest, which shall be reported in accordance with the provisions of Numeral 1.3.1.:

- If a partner or shareholder (with a stock ownership greater than 5% of equity), registered agent, board member, permanent partner or spouse of any of the preceding is employed by ISAGEN, or any of them have business relations with ISAGEN employees.
- In providing the service described in the contract with ISAGEN, a third party identifies a Politically Exposed Person or PEP (in other words, if they are public officials while exercising their positions, and up to two years after leaving the position) among its employees or subcontractors that participate in the provision of the service, the third party shall report the fact prior to beginning the contract or agreement, or as soon as it is identified.
- If a conflict of interest arises during any of the stages of the contract or agreement, in a situation that could constitute a conflict of interests or generate doubt about the existence of a conflict of interest related to ISAGEN, the Third Party shall report said situation as indicated in Numeral 1.3.1.
- The third party's registered agents must complete and sign the "Annual Survey of Transparency Practices for Third Parties" every year. The purpose of the survey is to demonstrate understanding and application of ISAGEN's transparency practices, and reporting potential conflicts of interest.

### **3. TRAINING**

Third parties are required to read, understand and apply ISAGEN's AAA Policy and its application guide, which is published on ISAGEN's website. Third parties, depending of the level of exposure to risk determined by ISAGEN, third parties shall complete any training defined by ISAGEN related to the prevention of bribery, corruption and fraud.

### **4. CONFIDENTIALITY AND NON-RETALIATION GUIDELINE**

- ISAGEN believes that all the concerns reported are important, and they will be analyzed to determine if they merit inquiry, which will be conducted in accordance with the parameters defined by the Company (procedure to address concerns received in the Ethics Channel).
- The confidentiality of the concerns, reports and claims made shall be maintained with the utmost safety in order to protect not only the person making the report, but those identified in it.
- No retaliatory measure shall be taken or allowed against the person making the report (nor against the persons identified in it) who is reasonably acting in good faith and has sound reasons to believe that an act against the Ethics Statement, the AAA Policy or a violation of any applicable law has been committed or is about to be committed.

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