

# **CONFLICT OF INTEREST POLICY**



### INTRODUCTION

At Constructora Concreto and its group of companies, consistency between the values and actions of its employees is very important. It is essential that decisions are made and taken with impartiality, transparency, and integrity, always ensuring that organizational interests take precedence over individual interests.

The Board of Directors and all levels of the company consider it important to establish clear guidelines for handling situations that may represent or be understood as conflicts of interest among employees. This means that each person has the duty and responsibility to be aware of and communicate any situation where their personal interests influence decisions or aspects related to the organization's operations.

Within the company, conflicts of interest are classified as a type of fraud with significant legal consequences, and the existence of this document is considered important. In it, we identify and describe certain situations that facilitate, among other things, risk management and minimize its occurrence.

The main purpose of this policy is to define a guiding principle for the management of conflict of interest situations at Constructora Concreto and its affiliated companies.

### SCOPE

The policy must be **applied by all employees**, regardless of their rank or position within the company, **in all subsidiaries, departments, levels, and activities of the organization**. It is the responsibility of all employees to communicate and comply with the guidelines established for handling situations related to conflicts of interest.

This policy is based on principles defined in the bylaws and internal regulations of the Board of Directors and Corporate Governance:

1. Article 17 of the internal regulations of the Board of Directors.
2. Chapter Five of the Good Governance Code
3. Articles 9 of: Code of Good Corporate Governance, Internal Regulations of the Appointments and Remuneration Committee, Corporate Governance Committee.
4. Chapter Three of the Manual of Ethical Business Conduct.

### CONCEPTS

**Conflict of interest:** Any situation in which the interests of the company are in opposition to the personal interests of employees or their family members, in such a way that it leads the employee to act under parameters other than those established to ensure the real and ethical fulfillment of their responsibilities to the company.

**Potential conflict of interest:** Any current or future situation that may influence the decisions of a person within the organization, which could affect transparency and objectivity in decision-making and the exercise of responsibilities. Some potential conflicts of interest arise when there is participation in companies or businesses in the same market as the organization; business relationships with family members or friends; use of privileged information; use of one's position in the organization to obtain benefits or divert business opportunities; use of company resources for personal gain; company time or activities devoted to personal interests; among others.

**Related companies:** Companies and businesses in which Constructora Concreto has a stake and administrative control.

**Employment relationships:** Relationships that involve dedication and/or remuneration.

**Degree of consanguinity or affinity:** Consanguinity is understood to mean the family, and affinity is understood to mean the spouse's family. The first degree

degree includes parents, children, and spouse; the second degree includes siblings, grandparents, and grandchildren; and the third degree includes uncles, aunts, and nephews.

**Critical areas:** These are areas or processes in the organization that are relevant due to their use of resources and significant financial impact on its operations. These are areas that concentrate decisions relevant to the organization.

**Complementary areas:** These are areas (critical or not) that together in their operation complete or give relevance to a process (e.g., purchasing and treasury; accounting and treasury; production and purchasing).

### GUIDING FRAMEWORK

1. All employees who join the organization will receive induction training and will be required to read and commit to complying with **the Business Ethics Manual**.
2. All employees of the organization must sign a written statement acknowledging that they have read and understood the **Conduct and Ethics Manual and the Conflict of Interest Policy** at the time of hiring. Likewise, whenever there is a substantial change in these documents, they will sign to acknowledge their understanding and acceptance. This consent will be part of the employee's file.
3. All employees must notify the company of any conflicts of interest at the time of joining. They must update this notification whenever there are changes, situations of conflict of interest, or prior to the start of new work assignments.
4. Employees must report a conflict or potential conflict of interest through the regular reporting channels:
  - a. Immediate supervisor
  - b. Management
  - c. Vice Presidents
  - d. Controller
  - e. President

- f. Audit Committee
- g. Board of Directors
- h. Shareholders' Meeting

Take into account the **Procedure for communicating and resolving conflicts of interest**.

5. Notification of a possible conflict, as well as the response to it, must always be recorded in writing, specifying the nature of the interests that may affect your relationship with the organization.
6. All employees are required to report potential conflicts of interest.
7. Decisions regarding conflicts of interest will always be made by the organization, never by the employee; it is the organization that decides what to do in the event of a conflict of interest, not the employee, even if the conflict has been reported.
8. A conflict of interest exists when there are direct or indirect interests, links up to the second degree of kinship, with suppliers, competitors, or customers.
9. No employee is permitted to use the organization's information for purposes other than those for which it was issued, nor is its disclosure to third parties permitted, unless there are confidentiality agreements with that third party and its use is within the ordinary course of business. The foregoing applies both during the employee's relationship with the organization and after their departure.
10. Each department, with the support of the General Secretary and/or the Controller and/or Human Resources and/or Communications, is responsible for providing all employees with training in the prevention, identification, and management of conflicts of interest, for which purpose it must carry out informational programs on the subject matter.
11. All employees must communicate or report, through regular channels

report their suspicions about possible conflicts of interest anonymously, if they deem it appropriate, through the ethics hotline. Employees who report misconduct, provide information, or contribute to an investigation may request protection from retaliation when they deem it appropriate. In this case, the company will evaluate the appropriateness of supporting measures to safeguard the employee's integrity.

12. Any situation that does not allow for compliance with this policy must be reported in writing to the Controller or the General Secretary of the company.
13. **Failure to comply with this policy may be considered grounds for termination of the contract** with just cause, subject to due process. Likewise, the employee must assume the legal consequences for any damages caused to the organization by their actions.

### CONFLICTS OF INTEREST:

The following are some cases related to conflicts of interest that require special attention from employees.

1. Concreto Group employees may not have employment relationships with suppliers, customers, or competitors, or with any other organization, except for part-time teaching and attendance at board meetings, for which they require the explicit authorization of the organization through the channels defined in this policy.
2. Employees may not have financial interests in the operations or businesses of the Concreto Group and will require authorization for those that are managed by the public securities market.
3. Employees must declare upon joining the company any stake greater than 1% in companies that are suppliers, customers, competitors, or that are in the same market as any Concreto Group company.

4. Receiving income, directly or indirectly, from activities such as leasing, sales commissions, fees, or any other concept related to machinery or equipment. It may also be considered a conflict of interest when an employee receives income, directly or indirectly, from the leasing of movable or immovable property when this involves business with the company.
5. An employee's involvement in the purchase of company products or services, when done outside of conventional commercial channels, with special concessions, without these being declared or authorized.

A conflict of interest also arises when a business transaction with the company results in benefits greater than those defined in the policies for transactions between the company and the employee.

6. The employment relationship of relatives up to the third degree of consanguinity or affinity when they involve a relationship of subordination or occur in critical and complementary areas of the company.
7. Any employee must report as a conflict of interest any direct or indirect participation in companies or businesses related to the construction sector and/or to the activity that the person carries out within the organization.
8. Employees who have a relative up to the third degree of consanguinity or second degree of affinity in public office, management or commercial positions with clients, suppliers, competitors or anyone related to the organization must report this situation in accordance with the reporting lines mentioned in this document.
9. Employees may not encourage the practice of giving or receiving gifts or gratuities.

Providing or accepting social favors, especially with suppliers, contractors and public officials , requires to be

informed to the organization, likewise, employees must report the existence of gifts from suppliers, customers, or competitors regardless of their value, when this compromises the employee with the third party; advertising material is exempt from this policy.

10. Granting and approving donations, sponsorships, and gifts on behalf of the organization must always be done in accordance with the organization's guidelines and the authorizations of the Assembly or the Board of Directors, as the case may be.
11. The acceptance or delivery of bribes or personal benefits, whether in cash or in kind, is not permitted in the organization. Any suggestion of this by an employee, customer, supplier, or third party must be reported in accordance with the reporting lines defined in this document.
12. The company must be informed of any connection its employees may have with judicial investigations of any kind.
13. Obtaining personal financial gain or avoiding personal financial loss at the expense of the organization or its customers.
14. Avoiding the hiring of suppliers or customers based on personal concepts or prejudices.
15. Using one's position or rank to influence decisions for personal gain, or for the benefit of friends or family.
16. Using the organization's facilities, equipment, and tools for personal gain.
17. Presenting false information and concealing information in reports.
18. Anticipating financial rewards by manipulating or concealing relevant information.



19. Accessing privileged information and using it for personal gain or for the benefit of family members up to the third degree of consanguinity or second degree of affinity.
20. Compromising compliance, operations, or results in other areas of the organization in order to meet individual indicators, goals, or results.
21. Employees must refrain from doing business with individuals or legal entities when they are aware that their ethical, social, and business behavior is contrary to the law, ethics, and good customs.
22. Any situation where one is both judge and party.
23. Romantic relationships between company employees, even when there is no subordination, must be reported to the Human Resources department.
24. Participating in public politics and engaging in political activities within the company.
25. All other actions that contravene the principles and policies of the organization and respond to personal interests.

### **OTHER PROVISIONS**

Any modification to this policy shall be submitted to the Audit Committee and approved by the Board of Directors.

This Conflict of Interest Policy is effective from the date of its approval by the Board of Directors and publication in October 2017.

The original document of this policy is signed.

**February 2017**