



# Policy of

## Internal Control and Fraud and Corruption Prevention



GrupoEnergíaBogotá

## PURPOSE AND SCOPE

Establish the commitments of the companies comprising Grupo Energía de Bogotá (hereinafter “GEB” or “the Group”) for adoption and maintenance of an Internal Control System allowing achievement in an orderly and efficient manner of the goals, management and results of the companies in the Group by implementing the rules and procedures intended for fulfillment of said task, as well as promotion and consolidation of an ethics culture based on the corporate values of transparency, equity, respect and integrity; and establishment of some guidelines that allow identifying, detecting, assessing, mitigating, monitoring, investigating, preventing and correcting fraud and corruption risks that may arise within the companies in the Group.

## COMMITMENT STATEMENT

- 1. Establish and keep updated an efficient and effective Internal Control System (“SCI”),** through implementation of the best practices in these matters, in conformity with the SCI model adopted by the Group, undertaking activities of preventive, corrective and process detection activities according to the needs and operations of the companies in the Group.
- 2. Observe and comply with the regulations** applicable to the companies comprising GEB and embrace as main criteria the components of the Control System in line with the “COSO” model.
- 3. Have a “Zero Tolerance” stance with respect to fraud, money laundering and terrorism financing and any corruption act,** which leads to adopt the necessary measures to implement the guidelines intended for preventing and fighting against said behaviors, as design and implementation of compliance programs.
- 4. Promote a transparency culture,** which is part of the different risk management systems oriented towards identification, detection, assessment, mitigation, monitoring, investigation, prevention and correction of behaviors related to fraud, money laundering and terrorism financing and corruption, as well as strengthening of the Internal Control System.
- 5. Have an Ethical Channel** as official means to receive denunciations related to cases of fraud, money laundering, corruption or any other illegal behavior, as well as infringements of the Code of Ethics and solve the consultations and ethical dilemmas that may have the parties obliged to observe the Policy (the “Responsible Parties”). For this purpose, confidentiality shall be ensured in all the denunciations or consultations received in the Ethical Channel, regardless of their value or persons involved.

- 6. Adopt measures to avoid that any complainant** is subject to retaliations for having reported infringements of the Policy.

## RESPONSIBLE PARTIES OF THE POLICY

Administrators, contributors at management level, employees, shareholders, internal control entities of the companies comprising the Group, as well as contractors and customers, as the case may be, are responsible for compliance with the guidelines for prevention of fraud, money laundering and terrorism financing and corruption, as well as the proper operation of the Internal Control System.

Administrators and contributors at management level are also responsible for disclosing to all employees under their direction the rules, procedures and protocols that must be observed to prevent and mitigate the fraud and corruption risk, as well as implement the necessary controls intended for preventing that the companies in the Group or their employees have or tolerate such behaviors.

The Internal Audit Management and the contributors at management level are responsible for disclosing this policy.

In order to ensure compliance and preserve integrity of the Internal Control System in the companies of GEB, they shall implement the model of Three Defense Lines, according to the standard promoted by the European Confederation of Institutes of Internal Auditing (ECIIA) with which the responsibilities in the Internal Control System are defined under the following terms:

In the first defense line, **control of the executive management** is exercised **through the owners of the processes**, who establish their own control activities (Self-control) to mitigate their risks and keep an effective internal control.

The second defense line is framed within the different functions of supervision and monitoring, developed by the areas that conduct control activities of financial report, legal and regulatory compliance, quality management systems, security of the information, supervision and inspection and risk management, where implementation of the control activities is facilitated and monitored for mitigation of the risks. This line ensures that the first line of defense is operating in the manner established.

The third defense line corresponds to **independent assurance** by the internal and external audit activities. Through this defense line the corporate governance and executive management entities are provided with a reasonable assurance about effectiveness of the corporate governance, risk management and control through independence and objectivity in the companies comprising the Group.