

## **1 PURPOSE**

This standard aims to establish the guidelines of conduct and procedures that InterCement professionals and Third Parties must follow in their relationships with Public Officials.

## **2 DEFINITIONS AND ACRONYMS**

**ADVANTAGE OR UNDUE PAYMENT / FACILITATOR** - Advantages or undue payments to public officials, government officials and public agents may be considered: cash, gifts, travel, entertainment, job offers, meals, illegal campaign contributions, improper sponsorship of events, scholarships, luxury items, jewelry or precious stones, charitable contributions, etc. It may also be a payment to a public official to ensure or expedite the performance of an action or service to which a person or Company has a normal and legal right. For example, payments for obtaining authorizations, licenses and other official documents, regulatory approvals, blocking a competitor's bidding, reducing taxes, avoiding customs charges or fees, processing government documents such as visas and service orders; provision of telephone services; water and electricity supply, etc.

**BRIBE** - Offer, donation, promise, receipt of anything of value to influence a decision to do business with the Company and thereby give the Company an improper advantage. An important aspect of the definition of "bribe" is the purpose of the payment. Anti-corruption laws prohibit the payment of anything of value for obtaining business, maintaining business or obtaining any improper advantage. Even if the Company has a legal right to a government attitude, such as receiving a refund or license, paying a bribe to obtain this right is still prohibited.

**CONFLICT OF INTEREST** - Situation in which an administrator, a professional or a third party prioritizes or pursues particular interests (or those of his or her relationship) in detriment of InterCement's legitimate interests, its operations and/or its stakeholders (including the Public Authority).

**CORRUPTION** - Delivery, offer, promise or achievement of offering something to gain advantage or expectation of advantage in a particular deal; abuse of power or authority by a person to gain advantage for themselves or others by taking advantage of the power conferred. The most common form of corruption is bribery. Importantly, no form of

corruption is accepted by the Company and all forms of corruption are countered. The laws of some countries make a distinction between bribing a public official and bribing someone other than a public official. For us, there is no difference. The payment of a bribe to anyone - is prohibited.

**FACILITATION PAYMENT** - payments, usually of small value or promises of other advantages for the personal benefit of a Public Agent in order to speed up a particular process. It differs from a bribe because the process in question would be done anyway, but in a longer time than desired. Such payments are not official and are not part of the processes established by the beneficiary body. They are also commonly referred to as "urgency fees".

**GOVERNMENT OFFICIAL OR EMPLOYEE or PUBLIC AGENT** - All employees of public or government-controlled companies may be: (i) Directors and employees of any Government Entity at national, state, regional, municipal or local level, including officers elected; (ii) Any natural person acting temporarily officially to or on behalf of any Government Entity (such as a consultant hired by a government agency); (iii) Directors and employees of companies with government participation; (iv) Candidates for political office at any level, political parties and their representatives; (v) Directors, officers, or official representatives of any international public organization, such as the World Bank, the United Nations, and the International Monetary Fund; and (vi) family members of any of these persons (spouse, partner, grandparents, parents, children, siblings, nephews, uncles, first-degree cousins, etc.). In short, any person who, even temporarily or without remuneration, holds office, employment or public function in bodies or entities of the Union, Federal District, States or Municipalities, as well as legal entities controlled directly or indirectly by the Union, District Federal, State or Municipality. Includes Political Agents.

**ILLICIT ACTS** – Illicit acts are all voluntary, reckless or negligent actions or omissions, prohibited or unacceptable by law. Examples: money laundering; financing of terrorism, drug trafficking, persons or weapons; influence peddling; use of office to gain improper advantage for yourself or others; provision of material for the construction or storage of chemical or mass destruction weapons; tax evasion, advantage or improper payment; fraud; corruption; antitrust, etc.

**POLITICAL AGENT** - Occupant or candidate for elective office, political party and political party framework and Politically Exposed Person (PEP).

**POLITICALLY EXPOSED PERSON (PEP)** – These are public employees who have held or have held relevant public functions or positions in the last five years. Family members or close relatives are also considered politically exposed persons. For such purposes, are considered family members or relatives in direct line up to the 4th degree of consanguinity, the spouse, partner and/or children of partners.

**PROFESSIONALS** – For InterCement, professionals are those who establish any working relationship with the Company, regardless of their position, function, activity or length of time.

**QUARANTINE** – Period of time, counted from the resignation of the Public Agent, during which he is prevented from exercising activity related or not to the previous activity to avoid conflict of interest.

**THIRD PARTY** - an individual or corporate service provider, supplier or business partner of InterCement. Examples: attorney, advisor, consultant, contractor or subcontractor, forwarder, distributor, contractor, manufacturer, intermediary, laboratory, representative, reseller, etc.

### **3 RESPONSIBILITIES AND ASSIGNMENTS**

**Compliance Agent:** Review the Professional Declaration of Interaction with Public Agent and inform Corporate Compliance if it identifies any risk.

**Professionals:** follow, respect and disseminate this Standard. It is also the duty of every professional to follow the Corporate policies and standards, procedures and standards existing in his/her Business Unit.

The responsibilities described herein do not exempt Professionals from respecting the other responsibilities specific to each of their positions.

Professionals shall cooperate with any investigations, inquiries, inspections and etc carried out by public agencies, entities or agents, always with prior guidance from the legal department and its immediate superior. This provision applies to all professionals of the Company, regardless of hierarchical level and whether he is employed directly, indirect or third party who is acting on behalf of the Company.

**Managers:**

- i. Ensure that the risks of corruption occurring in the activities under its management are properly identified, controlled, monitored and mitigated;
- ii. Verify that the Third Party under their management:
  - a. has any kind of interaction with Public Agent. If so, should ensure that a formal contract with the Third Party is drawn up.
  - b. has personal relations (kinship, friendship, business, etc.) with Public Agent and inform the Compliance area.
- iii. Disseminate this Standard to the Third Party under its Management.
- iv. Monitor if Third Parties under its management are complying with this Standard.
- v. Ensure that Third Parties who have relationships with Public Agents do the Anti-Corruption e-learning and proof and make sure they get 100% of the training right.

**Supply area:**

- i. Perform background analysis for any Public Agent or Politically Exposed Person who is in the process of hiring.
- ii. Perform background analysis for any third party in the hiring process, to ascertain the relationship situation with Public Agent or Politically Exposed Person.
- iii. Identify if the service providers have any kind of interaction with Public Agent.

**Corporate Legal Department:**

- i. to be the guardian of this Standard, being also responsible for implementing and keeping it up to date with the specifications of the local legislation of each Business Unit;
- ii. together with the HR and Compliance area, conduct the necessary training to know and ensure compliance with this Standard;
- iii. advise the other areas of the Company on matters related to this Standard;
- iv. define and oversee the monitoring of compliance with this Standard, together with the Compliance area.
- v. prepare formal contract for hiring Public Agent and Politically Exposed Person.

**HR:**

- i. comply with the sanctions and guidelines set by the Ethics and Compliance Committee regarding the professional who committed an act of corruption;
- ii. Conduct communication processes related to this Standard.
- iii. together with the Legal and Compliance Department conduct the necessary training.
- iv. Perform background analysis for any Public Agent or Politically Exposed Person who is in the process of hiring.

**Ethics and Compliance Committee** – Together with the Legal Department and the Compliance area:

- i. assess the origin or otherwise of the act of corruption and, where applicable, propose actions and sanctions;
- ii. collect and monitor action plans designed to deal with situations encountered,
- iii. approve hiring a Public Agent or Politically Exposed Person.

**Audit, Risk and Compliance Committee:**

- i. evaluate the results of the analysis brought to their knowledge associated with reported / identified acts of corruption;
- ii. report the results of such reviews to the members of the InterCement Board of Directors.

**Compliance area** – Through existing instruments such as the Ethics Line and the monitoring process itself and others:

- i. identify possible acts of corruption;
- ii. monitor the implementation of action plans defined and approved by the Ethics and Compliance Committee.

**Audit area:**

- i. identify possible acts of corruption and, if necessary and approved by the Ethics and Compliance Committee, trigger forensic investigation. In case

special procedures are adopted, they should be discussed in the Ethics and Compliance Committee;

- ii. coordinate applicable forensic investigations;
- iii. discuss the outcome of the work with the members of the Ethics and Compliance Committee.

Nevertheless, in the course of their daily activities, everyone has the obligation to prevent, identify and report to their managers or the Ethics Line the occurrence or suspected violation of this Standard, as well as weaknesses in the processes and systems that may be used as means for carrying out acts of corruption.

The Company accepts anonymous reports, guarantees the confidentiality of the identities of those who identify themselves and does not allow any act of retaliation to those who make a report in good faith.

## **4 CRITERIA AND RULES**

### **4.1 General Guidelines**

- The relationship with the Public Agent can occur in several ways, such as: inspections, obtaining licenses, permits, authorizations, certificates, guides, bids, counter contacts, etc. In this relationship, the following conduct is strictly prohibited:
  - Promise, offer or give, directly or indirectly, an improper advantage to a Public Agent, or the third person related to him/her (including family members).
  - It is forbidden to receive gifts or courtesies of any value, or any advantage to the public agency or public officials. When for any reason the refusal is not possible, the fact should be communicated to his/her superior and to the Audit, Risks and Compliance Board.
  - Use an individual or a legal entity as agent in order to conceal or misrepresent their real intention or the identity of the beneficiaries of acts that have been practiced; and
  - Make payments to public officials, their relatives, the legal entities in which they hold equity interest, or an individual or legal entity indicated by the Public Agent.

- Make payment in kind.
  - Make Facilitation Payment even though it is formally or informally permitted in any country or locality.
  - Hire Public Agents and Politically Exposed Persons (PEP) without prior authorization from the Ethics and Compliance Committee.
- If there is an approach by Public Agents requesting improper payments or advantages, they should be immediately expressly denied and reported to the Compliance area, which will report to the Ethics and Compliance Committee to take the applicable measures.

#### **4.2 Hiring of Public Agent and Politically Exposed Person (PEP)**

- The hiring of Public Agent and Politically Exposed Person should be avoided. If this is not possible, one must meet the following requirements:
- The Human Resources area (if such hiring is as an employee) and the Supply area (if such hiring is as a service provider) must check the quarantine periods mentioned in both Brazilian Law No. 12.813 / 13 and the Laws specific to each country.
  - Prior to hiring a Public Agent or Politically Exposed Person (PEP), a background check should be performed. Hiring should not occur if:
    - Any evidence of or involvement in cases of corruption, unlawful acts or any type of irregularity is identified.
    - Have family members involved in corruption, unlawful acts or any kind of irregularity.
    - There is some kind of conflict of interest or legal impediment.
  - The hiring shall:
    - Contain clear, objective and reasonable justification for why it is needed.
    - Be submitted for approval by InterCement's Ethics and Compliance Committee.
    - Follow InterCement's normal selection, evaluation and hiring procedures.
    - Be performed in accordance with current legislation.
    - Be carried out by drafting a formal contract.

#### **4.3 Relations of Third Parties with Public Agents**

- The supply area shall conduct background analysis for any third party in the hiring process to ascertain the relationship with a Public Agent or Politically Exposed Person.
- Supplies should identify whether service providers have any interaction with Public Agents.
- All Third Parties who have any interaction with a Public Agent must have a formal contract with InterCement, regardless of the amount.
- Third Parties are prohibited from relating to Public Agents on behalf of InterCement, except by express contractual provision, which shall state specifically which services will be provided by the Third Party and the degree of interaction with the Public Agent and specific power of attorney.
- Third Parties must report to the InterCement manager responsible for hiring their personal relationships (kinship, friendship, business, etc.) with Public Agent. The manager should report the case to the Compliance area, which will review and decide if Professionals or Third Parties may interact with the Public Agent on behalf of InterCement.
- Follow the guidelines described in “4.5 Procedures for Interaction with Public Agents”.

#### **4.4 Personal Relations with Public Agents**

- Professionals who have personal relationships (kinship, friendship, business, etc.) with Public Agents should declare any potential conflict of interest in the Conflict of Interest Statement available on SER +. This Statement will be reviewed by the Compliance area which will suggest the necessary measures to avoid conflict of interest situations.

#### **4.5 Procedures for Interaction with Public Agents**

The following procedures should be practiced in interactions with Public Agents:

- Interactions with Public Agents must be transparent, have a justifiable purpose and relate to InterCement's legitimate and legal activities and interests and must always comply with the provisions of the Brazilian Anti-Corruption Law (Federal Law No. 12,846 / 2015).



- Those who need to interact with agencies and Public Agents should know and comply with this Standard as well as perform Anti-Corruption e-learning and get 100% of the exam available at the InterCement Academy. If you have questions about accessing e-learning, send an email to [AcademiaInterCement@intercement.com](mailto:AcademiaInterCement@intercement.com)
- When interacting with the Public Agent, inform about InterCement's Integrity and Compliance Program, which includes Anti-Corruption, Prevention and Fight against Illegal Acts, Conflict of Interest, among others.
- In electronic contact with a Public Agent, the texts should be clear and objective so as not to give rise to controversial interpretation.
- After telephone contact with the Public Agent, it is necessary to send an e-mail with the content of what was discussed, clearly and objectively so as not to give rise to controversial interpretation, and to send to interested parties, including the Public Agent.
- In face-to-face interactions with a Public Agent, you must:
  - Schedule the meeting at the official offices of the Public Administration body or at InterCement facilities.
  - Preferably, be accompanied by other InterCement professional (s), because the presence of more people besides inhibiting the corrupt behavior, is worth witness if any situation that deals with this Standard occurs.
- Interaction between professionals and Public Agent (including obtaining licenses, inspections and investigations) must be recorded on the Declaration of Interaction with Public Agent available on SER +.
- It is not necessary to send the email before the interaction, nor fill out the Public Agent Interaction Statement in situations where interaction with the Public Authority is merely routine and bureaucratic (e.g., protocols and dispatches) or when it generates a document that proves the reason for the visit (ex.: report, evaluation, meeting minutes)..
  - If the Public Agent presents an inadequate posture, or even when the InterCement professional who received him does not feel comfortable with the points addressed during the visit, the Declaration must be filled in even when the visit generates a document that proves it.

- In the context of surveillance or investigation procedures conducted by Public Agent, professionals and third parties acting on behalf of InterCement should **not** act in such a way as to hinder or intervene in the actions of the Public Agent.
- All requests, notifications, assessments and demands from Public Agents should, when appropriate, be answered or defended officially and formally, with the support of the Legal department.
- Requests made by a Public Agent and documents submitted by InterCement professionals must be properly controlled and recorded.

#### **4.6 Sanctions**

Individuals, as well as the Company, involved in any act of corruption, whether active or passive, by action or omission, may suffer:

- Disciplinary sanctions under current labor law.
- Sanctions of regulatory oversight.
- Civil and criminal penalties.
- Seizure and confiscation of money.
- Imprisonment.

In the event of non-compliance with this Standard as well as the Laws and Regulations by the contracted Third Party, InterCement may terminate the bond with the Third Party in full, without prior notice and without any obligation of indemnity, and may claim damages and corresponding losses.

#### **5 RECORDS**

N/A

#### **6 ANNEX**

- Declaration of Interaction with Public Agent