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BUSINESS ETHICS PROGRAM FOR PREVENTION OF BEHAVIORS PROVIDED IN ARTICLE 2 OF LAW 1778 2016

COMPLIANCE MANUAL

**Unilever Andina Colombia Ltda
Unilever Andina SCC S.A.S.
Bogotá, Colombia
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1. General Considerations

Unilever Andina Colombia Ltda. ("Unilever Andina") and Unilever Colombia SCC S.A.S. ("Unilever Colombia") herein after and jointly "Company" or "Unilever", have the commitment to do business with integrity and zero tolerance to corruption in compliance with budgets intended for combat and prevention of National and Foreign Bribery considered in the next laws: (i) Ley 1474 de 2011, (ii) Ley 1778 de 2016, (iii) Resolución 100002657 2016 issued by Superintendence of Corporations (iv) Circular Externa 100-000003 de 2016 issued by Superintendence of Corporations.

Additionally the company will comply with all international agreements signed by Colombia including for the effect the Interamerican Convention against Corruption of the Organization of American States dated 1997, the Convention of United Nations Against Corruption (UNCAC) of 2005, and the Convention of the Organization for Economic Cooperation and Development (OECD) to combat bribery of Foreign Public Officials and Foreign Public Entities in International Commercial Transactions in 2012.

Unilever currently has a robust and comprehensive compliance system consisting of a Code of Principles for Business and Code Policies as well as other compliance policies which are essential part of the program in order to fulfill principles which will be hereafter described.

The program has direct application for all shareholders, managers, employees, contractors and third parties in any event associated to Unilever. The implementation and effective execution of the program by its recipients aims the compliance of anticorruption provisions and the application of the engagement of Unilever to do business with integrity.

In order to fulfill the mentioned engagements Unilever evaluated and diagnosed risks of Foreign Bribery acts into the company, as well as industries and economic sector in which it participates in order to detect the main sources of risk to design and implement the appropriate mechanisms to prevent, mitigate and punish its occurrence.



2. Definitions

2.1. Business Integrity/Integridad en los Negocios: It refers to the area of Unilever responsible for receiving, processing, investigating, registering and reporting to the Business Integrity Committee any case regarding suspicion of an act of corruption and foreign bribery or any violation to the Code of Business Principles and its policies. It is also responsible for communication and training of Code of Business Principles, the policies of the code and the current program.

2.2. External Circular Letter 100-000003: It is the guide issued by Superintendence of Corporations intended to put in place the programs of Business Ethics for prevention of behaviors provided in article 2 of the law 1778 of 2016.

2.3. Business Integrity Committee: Organ of the company consisting of member of the Management Board whose responsibility is executing all functions of the Management Board related to the appropriate operation of the Business Ethics Program and Compliance Policies.

2.4. Contractor: Any third party that delivers services to Unilever or has a legal contractual relationship with the Company of any nature different to working relationship.

2.5. Due diligence: Regular inspection of legal, accounting or financial topics related to the business or national or international transaction whose aim is to identify and evaluate bribery and corruption risks that could affect Unilever and its contractors.

2.6. Anticorruption provision: Are: (i) Ley 1474 dated 2011 and 1778 dated 2016, and the ones that add, modify or complement (ii) Resolución 100-002657 dated 2016 and Circular Externa 100000003 dated 2016 issued by Superintendence of Corporations and those provisions that modify or complement; (iii) the international agreements signed by Colombia including the Interamerican Convention against Corruption of the American States Organization dated 1997, the Convention of United Nations Against Corruption (UNCAC) dated



2005, and the Convention of the Organization for Economic Cooperation and Development (OECD) to combat bribery of Foreign Public Officials and Foreign Public Entities in International Commercial Transactions in 2012; (iv) the *Foreign Corrupt Practice Act (FCPA)* from the United States; and (v) the *UK Bribery Act 2010* from United Kingdom.

2.7. Compliance officer: Natural person designated by the Management Board to lead and manage the Management System of Risks and Foreign Bribery.

2.8. Direction, Compliance and Decision-making Body: Corresponds to the managers and partners of the Company: (i) Management Board (ii) General Shareholders Meeting (iii) Management Board (iv) Legal representatives and (v) Business Integrity Committee.

2.9. Business Ethics Program: Corresponds to the specific processes in charge of the Compliance Official, aimed to execute the compliance policies in order to identify, detect, prevent, manage and mitigate the risks of Foreign Bribery as well as other related to any act of corruption that could affect the company.

2.10. Foreign Public Official: In accordance with the established in first paragraph of second article of Ley 1778 dated 2016, it is considered *“Foreign public official any person with a legislative, administrative or judicial position in a State, its political subdivisions or local authorities or a foreign jurisdiction no matter if the individual was designated or elected. Also it is considered a foreign Public Official any person that has a public function for a State, its political subdivisions or local authorities or in a foreign jurisdiction in a public body or a company of the State or an entity whose decision power in under the will of the State, its political subdivisions or local authorities or a foreign jurisdiction. It will also be understood that has such grade any official or agent of a public international organization”*.

2.11. Foreign Bribery: It is the act by which a Company via its employees, contractors, managers or partners gives, promises to an official of a foreign public entity, directly or indirectly: (i) sums of money, (ii) any object of pecuniary value or (iii) other benefit or use, in



exchange of doing, omitting or delaying any act related to his duties and related to a business or international transaction.

3. Principles Oriented to Mitigate Foreign Bribery Risks

3.1 Commitment of the Managers in Foreign Bribery Prevention

The Managers of Unilever are committed to promote a culture focused on business development with transparency, honesty, responsibility and integrity following the law and the highest ethical rules. Through the Decision, Direction and Compliance Bodies the Unilever Managers promote and support the appropriate operation of the program of Business Ethics as a Foreign Bribery Risk Management System and corruption.

As indicated by the foregoing, the members of the Decision, Management and Compliance Bodies, have into their general functions the obligation of initiate the Compliance Policies through the application of the following actions:

- 3.1.1.** Occupy a definitive position aiming prevention of Foreign Bribery for Unilever to execute its business in an ethic, transparent and honest way.
- 3.1.2.** Guarantee the supply and completion of required infrastructure by Compliance Officer for the execution and fulfillment of his functions.
- 3.1.3.** Impart corresponding actions against any official of the Company in case he infringes the established in the Business Ethics Program.
- 3.1.4.** Structure a strategy of effective communication to make known by all employees and contractors the Business Ethics Program.

The functions specified in the Decision, Management and Compliance Bodies are attached as *Annex 1* in this Business Ethics Program.



3.2. Evaluation, management and control of risks related to foreign bribery

The evaluation, management and control of Foreign Bribery risks is the central axis of the Business Ethics Program developed proportionally to the size, nature, structure, countries of operation and current conditions of the Unilever activities.

The diagnostic was done in all areas of internal operation in Unilever, identifying the following as exposed to risk of the conduct commission of Foreign Bribery: (i) import processes, (ii) export processes, (iii) regulatory issues, (iv) corporate issues and (v) acquisitions.

For the effect a Foreign Bribery risk matrix was developed in the internal operation areas previously mentioned based on the following evaluation criteria:

- 3.2.1.** Risk, company, country and area in which a Foreign Bribery conduct could exist.
- 3.2.2.** The cause of the risk, its frequency and possible warning signs that can show the moment in which a Foreign Bribery conduct is being executed.
- 3.2.3.** The specific control to avoid the occurrence of the act and the responsible position.
- 3.2.4.** The residual risk and the impact and probability that bribery acts occur with officials or foreign public entities.

The diagnostic process through which Foreign Bribery risks were identified, together with the risk matrix and risk evaluation criteria are attached in *Annex 2* of the current Business Ethics Program.

3.3. Compliance Officer

In order to ensure the correct implementation, execution and follow up of this Business Ethics Program, the Management Board of Unilever named a Compliance Officer for the management and control of the risks of corruption acts. The compliance official is an employee of the company and meets the corresponding functions of his position which fulfill the current national legislation on Foreign Bribery.



The Compliance Officer enjoys the highest qualities of adequacy, responsibility, experience, leadership and personality that allows him to perform his functions accordingly. Additionally is in a position corresponding to the third hierarchic level into the Company with decision capacity and knowledge on the experience in risk management matters. Similarly has a high ethical level and responsibility.

The Compliance Officer is enabled by Unilever for the administration and correct performance of the Business Ethics Program. In the same way, has an immediate relationship with the Company management and also has complete availability for employees and contractors for them to show situations that could configure Acts of Corruption in a timely and appropriate way. His functions are:

- 3.3.1.** Promote into the company a culture of corporate ethics of compliance of Anticorruption provisions and an awareness of enforceability and compliance of this Program.
- 3.3.2.** Lead the design and execution of the Business Ethics Program ensuring the effective compliance by all people associated to Unilever.
- 3.3.3.** Implement the Compliance Policies of the Business Ethics Program.
- 3.3.4.** Request periodic evaluations of risks faced by the company. The evaluation process will have as a purpose to validate risks previously identified as well as new risks that arise with the development of business. The previous can be advanced into Unilever or through external advisers hired for that function.
- 3.3.5.** Design and implement programs of disclosure and training to employees and contractors about the Business Ethics Program.
- 3.3.6.** Address doubts and concerns from employees and contractors on interpretation and application of the Business Ethics Program.
- 3.3.7.** Promote the right operation of the whistleblower channel in order to receive notifications by users or any person out of Unilever about any suspicion or sign of a Foreign Bribery act.



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- 3.3.8. Carry out investigation processes into Unilever in case any suspicion of possible infringements to planned provisions in the Business Ethics Program or Foreign Bribery acts.
 - 3.3.9. Disclose registered claims through the corresponding channels. In case that those reports have open an internal investigation the Compliance Officer must show reasons that promoted an investigation, procedures used and results.
 - 3.3.10. Inform in an expedite way to the Business Integrity Committee any infringement to the Business Ethics Program.
 - 3.3.11. Present to the Business Integrity Committee every three (3) months a detailed report of his management.

3.4. Due Diligence

The compliance officer delegated in internal employees and third parties he chose under his criteria the responsibility of doing a periodic review of current and potential Unilever contractors in order to validate their adherence to the Commercial Partners Responsibility Policy (*Annex 4*) and the Responsible Procurement Policy (*Annex 5*), as well as to identify and evaluate possible risks of Foreign Bribery that involves all relationships in the Company with third parties.

The objectives of the study are the following:

- 3.4.1. Estimate the specific conditions of each of the contractors with which Unilever has a relation in order to identify the reputation of them and also the relationship they could have with third parties specially those relationships including officials of foreign public entities. Also, into the process the current and future contractors will be considered as well as individuals who offer services under any legal form.
- 3.4.2. Identify that the payment made to contractors follows specific conditions of the market rejecting the delivery of additional funds to officials or foreign public entities considered a bribery.



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- 3.4.3. Warn the compliance officer in case the reputation of contractors shows a high grade of exposure to Foreign Bribery risk.
 - 3.4.4. Include explicit contract terms for contractors with a high grade of exposure to Foreign Bribery risk including their obligation to follow rules related to prevention of Foreign Bribery and the Business Ethics Program of Unilever as well as the authority of unilateral termination of the contract in case of breach by the contractor.
 - 3.4.5. Identify passive and contingency related to merging and assets, shares, fees or interest parts purchase in processes of company restructuring in which Unilever participates as possible acquirer.

3.5. Control and supervision of Compliance Policies and Business Ethics Program

The company has an audit and control system designated to guarantee the control of fulfilling of parameters and procedures established in the Business Ethics Program. This process is executed by the area of internal Audit of the Company every two (2) years starting in 2019.

In addition to the processes focused on the compliance of this Business Ethics Program Unilever has its Business Principles Code whose supervision is in charge of the Business Integrity area. Additionally, Unilever has other Compliance Policies which are under control and supervision of responsible areas in each process among which are the following:

- 3.5.1. **Gift delivery to third parties:** The employees must not discuss, offer nor deliver any present or hospitality that involves public officials or their family without previous written authorization of Compliance Officer. (*Annex 3*).
- 3.5.2. **Fees and payment of commissions to contractors:** Any remuneration and commission payment to contractors has to be made conform to parameters established in the Commercial Partners Responsibility Policy, the Responsible Procurement Policy, the Anti-bribery Policy, the Anti-money Laundering Policy, the Policy of Accurate Records, Report and Accounting, the procedure *Procurement Marketing and Business*



Services (MBS) Middle Americas (MA); the policy No Purchase Order (PO) No Pay, all of which are attached as Annexes in this Program.

3.5.3. Employees expenses: Unilever has established standards to control business trips expenditures which include transport, accommodation, food and travel expenses in general. The trips of those employees which have to move abroad or from base city for working reasons are named *Home Leave* or *Relocations Trips*.

3.5.4. Participation in politics: it is forbidden to support or contribute to political parties or their candidates without exceptions. The employees of the Company can only offer support or contributions to political parties as a person (*Anexo 3*).

3.5.5. Donations: The company understands that in general terms donations represent a source of risk for the commission of corruption acts. However, under the development of the Unilever Sustainable Life Plan (USLP), it is considered that donations are key part of solidarity role of the Company in the society. In these terms and in order to preserve legality and transparency in its execution it is essential to fulfill strictly the procedures established in the Donations Policy MA MCO (*Annex 14*).

3.5.6. Handling of cash: It is forbidden to give or receive payments in cash to or from contractors.

The Business Principles Code and its policies are attached in *Annex 3* in this Business Ethics Program.

3.6. Disclosure of Compliance Policies and Business Ethics Program

The knowledge, comprehension and application of the Business Ethics Program by each of the employees directly or indirectly associated to Unilever is a process in charge of the Compliance Officer and the Management, Administration and Compliance Body.

The communication strategy includes mass disclosure e-mails of this program as well as training to employees and contractors exposed to the risk of incurring or being part of corruption conducts. The application of all the communication strategies are initiated by means



of physical and virtual channels available in different languages for all who are part of the Company.

Anti-corruption trainings are developed at least once a year by all employees of the Company in order to train associates in the knowledge and fulfilling of the Compliance Policies of Unilever.

Trainings regarding Business Ethics Program are developed at least once (1) a year or in case the Business Ethics Program or Compliance Policies are deeply modified and are aimed to internal functions of the Company that according to diagnostics and risk matrix (*Annex 2*) are exposed to Foreign Bribery risks.

The content of the training processes is determined based on the profile of the receiving team and is focused mainly in the way the situations that go against the Program or Compliance Policies of the Company can be perceived. Additionally, trainings include awareness on the benefits that brings the application of a culture sponsored by legality and integrity as well as the channel for whistleblowers in case of infringement suspicion and sanctioning consequences when violating the Compliance Policies and Anti-corruption provisions.

3.7. Internal Whistleblower channel

The report channels are those media arranged by Unilever for its employees and contractors to inform situations against established statements of Business Ethics Program and Compliance Policies.

For the effect the company makes available the direct report to the Compliance Officer the internal function of Business Integrity, and the Business Integrity Committee or the Management Board. Additionally a Confidential Ethics was activated as well as the web page media through which anonymously employees and contractors can raise awareness on any misconduct that could constitute a corruption act. The people who make use of these whistleblower channels will be protected against any kind of retaliation that could exist.



Likewise through the same whistleblower channels the employees and contractors can formulate consultations on specific cases about the application of the Program or receive support for making decisions in situations of corruption acts attempts.

Whistleblowing done through report channels are received by an external third party of the company and immediately transferred to Compliance Officer and the internal function of Business Integrity about which a confidential internal investigation start according to *Annex 6* and *Annex 10*. The findings of the investigation are then presented to the Business Integrity Committee for analysis, discussion and decision.

Media provided to that end are:

3.7.1. Phone numbers: (1) 3816583 or 018005182216

3.7.2. Web page: www.unilevercodesupportline.com

4. Sanctions

The non-compliance of this Business Ethics Program by any of the employees or contractors is considered a serious misconduct and results in application of sanctions established in the contracts, internal rules of the Company and sanction provisions established in the Business Principles Code in case following conducts exist:

- 4.1.** Non-compliance of this Business Ethics Program or Anti-corruption provisions.
- 4.2.** To be aware of any conduct opposed to this Business Ethics Program or Anti-corruption provisions and not reporting it through whistleblowing channels.

The non-compliance of Business Ethics Program by contractors empowers Unilever to effectuate anti-corruption clauses included in written contracts being able to apply corresponding penalties or advance unilateral termination.

The corresponding process for internal investigations is attached in *Annexes 10 and 11*.



5. Validity

The current Business Ethics Program came into force since march the 31st 2017 and its modification will come into force since the date of publication in the web page of the Company. Since the moment of the publication it will be available for consultation by contractors and employees associated to Unilever.

6. Storage and retention

All documents and supports on execution and compliance of the program like: (i) internal nature documents, (ii) external report from competent authorities (iii) evidentiary material collected during investigations, (iv) Management Board acts, (v) authorizations from Management about the Program between others are saved and kept in physical files for five (5) years starting the date of its production and occurrence. Once expired that time the documents and supports will be destroyed ensuring their accurate reproduction in digital technical media.

7. Annexes

Annex 1: Manual of functions and responsibilities of decision, execution and compliance bodies: (i) The Management Board (ii) The Business Integrity Committee, (iii) The legal representative (iv) the Partnership Board and (v) The General Shareholders Meeting

Annex 2: Report of diagnostic of risks and management and risk control matrix for prevention of Foreign Bribery conducts

Annex 3: Code of Business Principles and its Policies

Annex 4: Business Partners Responsibility Policy

Annex 5: Responsible Procurement Policy



Annex 6: Mitigation guide for red flags

Annex 7: Procedure of *Procurement Marketing and Business Services (MBS) Middle Americas (MA)*;

Anexo 8: Policy *No Purchase Order (PO) No Pay*;

Anexo 9: Donation Policy MA MCO

Anexo 10: Guide to perform internal investigations

Anexo 11: Sanctions standard