



# SUSTAINABLE PURCHASING POLICY



**Corficolombiana**

Trabajamos e invertimos  
en el progreso del país

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## 1. OBJECTIVE

Establish the policies applied in Corporación Financiera Colombiana - Corficolombiana S.A. for the acquisition of goods or services, including software and hardware, necessary for the proper operation of the entity, when payment is made from the budget of the Corporation.

Additionally, sustainability criteria are incorporated into our purchasing process in line with our corporate strategy, seeking that our suppliers adopt sustainable practices and advance in their economic, environmental and social management.

## 2. DEFINITIONS

### Specialized Area

Corficolombiana area responsible for supplying goods or services to other areas of the company for the execution of normal business operations.

### Applicant Area

Area that requires the acquisition of goods and/or services.

### Goods

Those tangible objects that have an economic and use value, supplied by a third party for Corficolombiana.

### Purchasing and Contracts Committee

It is the entity in charge of authorizing or rejecting the acquisitions of goods and/or services that come from the supply of Corficolombiana, whose integration, objectives and functions are described in the document "Policy of Corporación Financiera Colombiana Committees".

### Purchase

Any acquisition of goods or services, including software and hardware, required by Corficolombiana for its functioning and operation.

## **Corporate Purchase**

It is a purchasing strategy that brings together the demand of entities to contract through a single selection procedure, goods and services in general in order to achieve more advantageous conditions for USC companies.

## **Entity's Own Purchase (CP)**

Purchase of a good/service made directly by the Group Entity and which is not considered of Corporate Interest.

## **Sustainable Purchasing**

Acquisition/contracting of goods and services with criteria that consider environmental aspects, through the efficient use of natural resources throughout their life cycle; economic aspects that conform to the principles of effectiveness, efficiency, timeliness and transparency; and social aspects that consider standards established in their production and/or supply processes.

## **Contracting**

It is the formalization in a document of the conditions agreed between Corficolombiana and the Supplier for the realization of a Purchase.

## **Sustainability Criteria**

Characteristics required in terms of sustainability for the purchase or contracting of goods and services.

## **Sustainable Technical Data Sheet**

Specifications and characteristics associated with sustainability criteria that must be met by the goods and services, supplied by the suppliers contracted by Corficolombiana.

## **Supplier**

Natural or legal person that supplies Corficolombiana with Goods or Services necessary for the operation of the entity.

**Critical Supplier**

Supplier that supplies goods or services essential for the operation of Corficolombiana's business and whose suspension may significantly affect the activity of the company.

**Supplier of Strategic Goods and Services**

Supplier of high impact on the operation and functioning of the Entity or its goods and services is part of the Entity's strategy.

**Services**

They are activities carried out by a Supplier that have an economic and use value, supplied by a third party for Corficolombiana.

**SMMLV**

Legal Monthly Minimum Wage in force

**Value of the Purchase**

It is the total sum that is recognized in favor of the Supplier for the Service provided or the Goods supplied.

**3. POLICIES**

- In all Purchase processes, the applicable legal or internal rules of Corficolombiana must be complied with, such as those established in the Code of Ethics and Conduct, in the Anti-Fraud Policy, in the Code of Good Governance, in the Information Security Policy, in the SARLAFT Manual and in the Operational Risk Policy, that lead to zero tolerance for corruption, transparency in the contracting processes, execution of ethical conduct in the activities inherent in this process.
- Every Corficolombiana Supplier must be registered in the Corficolombiana Suppliers Registry, for which it must meet all the requirements required for this purpose. Within these requirements is to declare that they know and accept the applicable legal and internal regulations, by signing the respective certification. Therefore, to facilitate the knowledge of the latter, Corficolombiana must inform them to the supplier, a fact that must be recorded.

- Any official of Corficolombiana shall ensure that the goods or services object of the Purchase have legal origin and are allowed by law. Likewise, they shall avoid placing themselves in situations that give rise to conflicts of interest. All of the above, in pursuit of the protection of the good name of the Corporation.
- The Corporation will have the organizational structure and the necessary procedures and tools to guarantee control, efficiency and transparency in all Purchasing processes. Categories of expenditure are established aligned with the purchasing groups, which will have respective guidelines in the specific procedures for the controlled management of these as appropriate. The specialized areas related to purchasing groups are presented in the following table.

Purchasing Group	Specialized Areas
C01	Public Relations, Communications and Marketing Management.
C02	Corporate Administration Management (C08 - Supplies / C09-Facility)
C03	Infrastructure and Technology Management.
C04	Corporate Management Human Management.
C05	Legal Management and General Secretariat.
C06	Development and Innovation Management.
C07	PMO Project Management.

- Purchases must be governed by a formal process that includes, mainly, the registration of suppliers (selection, qualification and updating) and the evaluation, authorization, execution and monitoring of Purchases.
- The process for the Purchase and its payment, prior authorization of the corresponding instance will be managed in a controlled and centralized manner by the Corporate Administration Management, with the participation and opinion of the specialized area related to the Purchase, when applicable and with the official of the Applicant Area.
- Any Purchase request, to be processed, must have the authorization of the head of the requesting area.
- All Purchases of hardware and software for the entity must have the evaluation, opinion and approval of the Corporate IT Management.
- Any Purchase related to promotional elements, print, advertising, communication pieces, acquisition of databases, and everything related to the logistics and sponsorship of events, must have the authorization of the Public Relations, Communications and Marketing Management.

- Corficolombiana may conduct group negotiations that include USC entities, in order to achieve synergies that provide better prices, better levels of service, higher quality standards, brand unity, corporate identity, among others. Similarly, regardless of the payment periods or the level of consumption, it will seek the negotiation of rates in conditions of term or volume that allow to achieve special discounts.
- Purchases must be previously included in the annual budget and in the annual Purchasing Plan which must be presented and approved by the Presidency Committee. The new initiatives, which do not comply with the above, will be incorporated into the process after analysis by the Executive Vice Presidency and will be approved by the Purchasing and Contracts Committee, prior to the corresponding budgetary adjustments.
- The Purchasing and Contracts Committee is the body responsible for evaluating and authorizing in a collegial manner, any Purchase in the Corporation in accordance with the following attributions:

Amount	Approval
0-50 SMLMLV	<ul style="list-style-type: none"> <li>➤ Head of Purchasing</li> <li>➤ Corporate Manager of the specialty area               <ul style="list-style-type: none"> <li>○ Marketing</li> <li>○ Technology</li> <li>○ Human Management</li> <li>○ Administration</li> </ul> </li> </ul>
> 50-250 SMMLV	<ul style="list-style-type: none"> <li>➤ Members of the purchasing committee between 0 - 50 SMMLV</li> <li>➤ Executive Vice-President</li> </ul>
> 250 SMMLV	<ul style="list-style-type: none"> <li>➤ Members of the purchasing committee greater than 50 and up to 250 SMMLV</li> <li>➤ CFC President</li> </ul>
No limit	Legal Manager with the approval of the president to hire legal professionals to act actively or passively in the defense of the entity's interests
No limit	Junta Directiva

**Note:** Purchases over 50 SMMLV must be formally presented to the instances of Executive Vice Presidency and Presidency respectively, for support and subsequent approval.

- The Purchasing and Contracts Committee is the body responsible for evaluating and authorizing any Purchase in the Corporation, except in the following events:

- When its approval is made directly by the Board of Directors.
  - In exceptional cases, emergency or unforeseen situations and up to an amount of 250 Legal Minimum Monthly Wages in Force (SMMLV). In this case, the approval may be given by the Executive Vice President, in agreement with any of the following officials, according to the subject of their competence:
    - ▣ Director of Public Relations, Communications and Marketing
    - ▣ Corporate IT Manager
    - ▣ Corporate Manager of Human Management
    - ▣ Corporate Administration Manager
- Note:** Such exceptions must still be reported with their purchase justification to the Purchasing and Contracts Committee after the purchase.
- In exceptional cases, emergency situations or unforeseen events when the amount is higher than the amount indicated in the previous paragraph, in which case the president of the Corporation must give the authorization.
- When it comes to the hiring of legal professionals, to act actively or passively in defense of the interests of the entity or to provide advice, in which case the authorization will be given by the Legal Manager with the approval of the president of the Corporation. When by virtue of the negotiation it is necessary to provide the supplier with information that the Corporation considers confidential, it will be the responsibility of the Immediate Head of the area that requires to process said delivery, to carry it out contemplating the stipulations in this regard in the “Information Security Policies” and in the “Information Security Standards”.
  - When the value of the Purchase exceeds five (5) legal minimum wages in force, at least two (2) quotes must be requested and when it exceeds twenty (20) legal minimum wages in force, at least three (3) quotes must be requested, with the exception of the events indicated below:
    - Goods or services that are offered by special suppliers (specialized advisors, distributors, importers, manufacturers, software developers, hardware suppliers, specialized technologies, specialized products, specialized services or maintenance contracts or in the case of Associations or Guilds that organize events, etc.).
    - Goods or services that are required with extreme urgency, so it is not possible to have the quotes required to comply with the standard.



- Goods or services when the hiring of a supplier that fits the commercial strategy of the Corporation or the specific campaign to be developed is required.
  - Goods or services offered by a supplier selected by corporate policies and strategies.
  - Courses and Programs when a supplier offers the content and quality required by the Corporation.
  - Goods or services offered by a selected supplier when they are part of an annual negotiation that has already been presented in the Purchasing and Contracts Committee.
- When several quotes are submitted, the evaluation criteria set out in paragraph 9.2 of the Code of Good Governance shall be followed (Price, Quality, Opportunity in the delivery of the good or service, experience of the supplier) and those that by the nature of the purchase must be contemplated. In the event that the consideration of other aspects of a technical, technological, design, maintenance or special guarantee type is required for the evaluation of suppliers, the Specialized Area of the Corporation will be consulted so that it can conceptualize in this regard and the most convenient purchase or contracting decision can be made.
  - The value of a purchase cannot be divided in order to omit the amount of quotes required in the procedures in force. It will not be understood that there is fractioning when contracted with the same person, if the specific purpose of the Purchase is different in time, even if the general concept is the same.
  - Purchases must be formalized through purchase order, service order, contract, commercial offer or letters of commitment, which comply with the specifications and policies established in this regard by the Purchasing and Contracts Committee.
  - Any contract or commercial offer must have the approval of the Legal Management. When the Contracting is carried out under another of the permitted modalities, the approval of the Legal Management will only be necessary when the Purchasing and Contracts Committee so determines. The applicant area is responsible for managing its preparation and formalization, taking into account the policies of Corficolombiana and the guidelines defined by said Management, according to the nature of each. In any case, the contracting that is made must contain the clauses pertinent to the handling of confidential information, prevention of money laundering, malicious code and training of suppliers, as appropriate.
  - In order to promote the protection of Corficolombiana's interests, suppliers will be required, as appropriate in accordance with what is established in the Purchasing procedure, to provide guarantees

or insurance policies (compliance, advance good management, quality of service, stability of work, payment of wages, civil liability, etc.) that due to the nature of the Purchase must be subscribed. Likewise, the adequate control and monitoring of the execution of any Purchase that is made will be carried out.

- To make the payment originated by a Purchase, the contractual stipulations and the rules established in the accounting procedures in force must be complied with.
- The Procurement and Contracts Committee is empowered to issue the procedures required for the application of the policies established herein.
- The purchasing process includes environmental, social and governance criteria, which seeks to generate greater positive impacts on the environment and society and minimize negative impacts, for this:
  - Contracting with suppliers of which there is evidence that they have had any sanction for non-compliance with human rights, safety and health at work, legal, fiscal, environmental or labor matters will be avoided.
  - In the process of evaluating proposals and selecting suppliers considered relevant or critical or strategic for Corficolombiana, aspects of business governance management, ethical, social and environmental commitment must be taken into account, in addition to its quality as a supplier of goods and services.
  - Sustainable technical data sheets will be defined that will determine the environmental, social and governance criteria that will be taken into account in the evaluation of proposals. These criteria shall be included in the terms of reference for the purchase or procurement of goods and services.
  - These criteria will apply to purchases and procurement of goods and services, especially those related to: (a) Computer equipment, (b) Cleaning and cafeteria services and supplies, (c) Printed forms, stationery and desk supplies, (d) Inputs for lighting, tubes and bulbs, and (e) Furniture, structural and architectural construction elements in wood and other products and by-products in wood.

#### 4. REFERENCE DOCUMENTS AND ANNEXES

Reference Documents

Code of Ethics and Conduct

Anti-Fraud Policy

Code of Good Governance

Information Security Policy

Operational Risk Policy for Corficolombiana

Manual of the Money Laundering and Terrorism Financing Risk Management System – SARLAFT

Corporacion Financiera Colombiana Committees Policy.

Procedure Ethics Hotline: Internal reporting systems and prevention of internal fraud

## 5. CHANGES AFTER THE CREATION OF THE POLICY

Fecha	Versión	Naturaleza del cambio
Apr-14/2005	1	Policy creation
Dec-28/2012	2	General update of the Policy. Approved by the Board of Directors as evidenced in minutes No. 1738 of December 19, 2012.
Jun-13/2013	3	The following position is updated: Systems and Operations Manager by Systems and Operations Corporate Manager, in accordance with a change in the Organizational Structure approved in Board Minutes No. 1748 of 05/29/2013.
Nov-30/2020	4	<p>The following positions are updated: Corporate Manager of IT Systems and Administrative by Corporate IT Manager, Head of Administrative Services by USC Purchasing Coordinator aligned with the Organizational Structure of the last organization chart v7 published on November 26, 2020.</p> <p>In the definitions, the definitions corresponding to usual supplier and occasional supplier are eliminated because this classification does not apply, the segmentation of suppliers is detailed in the procedure USC-PR-GA-09 - PROCEDURE REGISTRATION AND EVALUATION OF SUPPLIERS.</p> <p>Rule 3.4 is extended with respect to the categories of expenditure aligned to the purchasing groups defined as necessary tools to guarantee control, efficiency and transparency in all Purchasing processes.</p> <p>Rule 3.6 is updated by updating the area of the Head of Administrative Services by USC Administrative Management.</p> <p>USC entities are included in Rule 3.10.</p> <p>Previous rules 3.13, 3.14 and 3.15 are consolidated into the current rule 3.12.</p>
Sep-17/2021	5	<p>Document modification:</p> <ul style="list-style-type: none"> <li>○ The name of the purchasing policy is changed to "sustainable purchasing policy".</li> <li>○ The objective of the sustainable purchasing policy is adjusted.</li> <li>○ The definitions of sustainable purchasing, sustainability criteria, sustainable technical sheet and supplier of strategic goods and services are included.</li> <li>○ Numeral 3.23 is included, which specifies environmental, social and governance criteria for the selection of purchases</li> <li>○ Numeral 3.11 is modified where it is specified that purchases must be included in the annual purchasing plan and must have an approved budget.</li> <li>○ Paragraph 3.12 is modified by modifying the attributions of the purchasing and contracts committee.</li> <li>○ Paragraph 3.13 is modified, indicating the cases in which the approval of the purchasing and contracts committee is excepted.</li> <li>○ Numeral 3.15 is modified indicating new amounts of quotes depending on the amount of purchases and exceptions.</li> <li>○ The document is modified by changing Administrative Management - USC by Corporate Administration Management, and Corporate Management of IT Services - by Corporate IT Management.</li> </ul>

*Fecha de actualización: Septiembre 17/2021*

SUPERINTENDENCIA FINANCIERA  
DE COLOMBIA

VIGILADO

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