



CORPORATIVE
GOVERNMENT
ETHICS AND COMPLIANCE

BIOCARBON CERT™

Version 4.0 | January 31, 2024

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BIOCARBON CERT. Corporate Government. Ethics and Compliance. Version 4.0. January 31, 2024. Bogotá, Colombia. 27 p. <http://www.biocarbonstandard.com>

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1 Introduction

BIOCARBON CERT (BIOCARBON) is a company of a commercial nature, funded in Colombia, governed by the clauses contained in its statutes and other relevant legal provisions.

The main object of the company is the development and management of carbon and biodiversity standards. In this sense, BIOCARBON supports the promotion of climate change mitigation actions through low carbon growth or ensuring national and international policies related to sustainable development objectives.

Adopting a management system and an appropriate corporate governance model is part of a company's strategic decision. It aims to improve overall performance and build a solid foundation for business ethics and compliance, always chasing excellence.

Corporate governance guides the policy of the organization. It pays respect for the objectives, transparency, truthfulness, competent, ethical practices, and business behavior in line with the ethical principles that guide the cross-cutting processes towards corporate compliance.

Consequently, everyone who is part of BIOCARBON shall carry out their functions within the highest levels of transparency, truthfulness, ethical practices—focusing their business behavior on quality, ethics, integrity, and responsibility, principles that govern the action of the organization.

This document sets the rules, principles, and procedures that regulate the company's structure and operation. It also rules the relationships between management, the Board of Directors, the Technical Committee, shareholders, and other stakeholders and relationships with intended users.

2 Objectives

The objectives of BIOCARBON 's corporate government are as follows:

- (a) to provide the principles and procedures that determine the structure and general operation of the company,
- (b) to regulate the relations between the direction, administrative and technical professionals of the company,
- (c) to guide interactions between stakeholders, as well as relations with intended users,
- (d) to guide decision making related to the strategic direction of the company and its corporate policies,

- (e) outline mechanisms for controlling management performance and monitoring the implementation of strategic plans,
- (f) establish adequate policies and procedures, ensuring that the members of the company comply with the regulatory framework, directly or indirectly related to the objectives of the organization,
- (g) determine the actions that define a business environment capable of demonstrating transparency and trust, guaranteeing credibility and responsibility in the development of its functions,
- (h) to align the company's performance in the search for sustainable growth and its presence in the market in the long term.

3 Principles

According to the Organization for Economic Cooperation and Development - OECD - (2006)¹, *"the objective of corporate governance is to facilitate the creation of an environment of trust, transparency, and accountability necessary to foster long-term investment, financial stability, and business integrity."*

Considering that the OECD's principles of corporate governance provide practical guidance and a reference framework applicable to BIOCARBON's objectives and actions, the company follows the organization's policies. In this sense, the corporate government framework:

- (a) will promote transparency and market equity, as well as the efficient allocation of resources. It shall be consistent with the rule of law and support adequate supervision and enforcement,
- (b) will protect and facilitate the exercise of shareholders' rights and ensure the equitable treatment of all shareholders, including minority and foreign shareholders. Everyone shall have the possibility of effective redress for violations of their rights,
- (c) will recognize the rights of the actors concerned, as provided for by the legal system or as mutually agreed,

¹ OECD (2023), G20/OECD Principles of Corporate Governance 2023, OECD Publishing, Paris, <https://doi.org/10.1787/ed750b30-en>.

- (d) where the rights of the actors involved are protected by law, they shall have the opportunity to obtain effective redress if they have been vulnerated,
- (e) will ensure the timely and accurate communication of all relevant business issues, including corporate management practices,
- (f) will facilitate the dissemination of information, enabling users to access relevant information in an equal, timely, and efficient manner.

Based on these principles and considering the legal and technical qualities of BIOCARBON, an organizational structure and a management model are defined that will allow the company's performance to be fulfilled with transparency and efficiency.

4 Policy framework

In keeping with the principles defined by the OECD, the legal and regulatory requirements that influence the corporate governance of BIOCARBON practices will be consistent with the rule of law and transparent and enforceable.

The regulatory framework governing corporate management in Colombia consists mainly of the following legal norms:

- (a) Commercial Code² and Law 222 of 1995³

The Commercial Code and Law 222 of 1995 constitute the Colombian legislation on commercial matters. These laws contemplate some corporate governance issues, such as associates' voting rights, treatment of profits as a protection mechanism for partners, how meetings are called, the duties and responsibilities of directors, among other aspects for regulation.

- (b) Law 1474 of 2011⁴

The Anti-Corruption Statute, established by Law 1474, *"by which norms are dictated oriented to strengthen the mechanisms of prevention, investigation, and sanction of acts of corruption and the effectiveness of the control of public management,"* dictates norms

² DECRETO 410 DE 1971 (marzo 27). "Por el cual se expide el Código de Comercio". Diario Oficial No. 33.339 del 16 de junio de 1971

³ "By which Book II of the Commercial Code is amended, a new regime of insolvency proceedings is issued, and other provisions are enacted". Official Gazette No. 42.156 of December 20, 1995

⁴ Diario Oficial No. 48.128, julio 12 de 2011

oriented to strengthen the mechanisms of prevention, investigation, and sanction of acts of corruption and the effectiveness of the control of public management, prescribing administrative, contractual and penal measures for the fight against corruption.

Additionally, it introduces modifications to the fiscal responsibility process, adopting measures to strengthen the budgetary control function exercise.

(c) Law 1778 of 2016

Law 1778 of February 2, 2016, which establishes rules on the liability of legal persons for acts of transnational corruption and other provisions in the fight against corruption, amended articles 1, 2, 7, and 72 of the Anti-Corruption Statute (Law 1474 of 2011).

Specifically, Law 1778 of 2016 modified the inability to contract of those who commit crimes against the public administration, the failure to recruit of those who finance political campaigns, the responsibility of financial auditors, and the additional functions of the Presidential Program for Modernization, Efficiency, Transparency and the Fight against Corruption.

(d) Law 1712 of 2014⁵

This law creates the Law of Transparency and the Right of Access to National Public Information and other provisions.

The purpose of the law is to regulate the right to access public information, the procedures for exercising and guaranteeing the right, and the exceptions to the disclosure of information.

(e) External Bulletin 100-00005 of the Superintendence of Corporations

The bulletin was issued to partners, shareholders, and managers of commercial companies, branches of foreign companies, and sole proprietorships supervised by the Superintendence of Companies and companies obliged to report to the Information and Financial Analysis Unit - UIAF.

Based on the fact that it is necessary to implement a system of self-control and risk management (LA/FT) in the real sector, the Superintendency of Companies presents, in

⁵ Diario Oficial No. 49.084 de 6 de marzo de 2014

the bulletin, rules, international standards, and guidelines to facilitate the implementation of an LA/FT system.

Thus, it provides that *"companies shall carry out an analysis of their exposure to this risk and establish their system of self-control and risk management of LA/FT, according to the characteristics of their business, the goods, and services they offer, their marketing, the geographical areas where they operate, among other aspects that are relevant in the design of the same."*

Concerning the national legislation on transparency and ethics, the company has a Document Management Program that provides the following of the legal rules and regulations that apply specifically to its functions and overall performance. Likewise, it considers the design, development, and implementation of procedures related to control mechanisms to verify adequate compliance with the policy framework.

5 Organizational structure

BIOCARBON has an organizational structure based on its team members' quality and capacity to meet the expectations of both the organization, its clients, and other stakeholders.

Relying on the excellence of those who make up the team, the organization's overall performance includes planning, executing, analyzing, and evaluating to build trust and drive continued success. BIOCARBON is strategically organized according to the organizational chart (available in <https://biocarbonstandard.com/en/organizational-structure/>).

5.1 Executive Board

The Executive Board oversees the strategic orientation, directions and the control of the management of the organization. The Board is composed of professionals with the ability to exercise independent judgment on matters within their competence and to perform all lawful acts required by the corporate purpose, as long as such acts are consistent with the BioCarbon principles.

The Executive Board is responsible for:

- (a) Set priorities and the strategic direction of the company.
- (b) Decide on the development of new standards and methodologies for quantifying GHG reductions or removals or net gains in biodiversity.
- (c) Support the decisions related with the system for registering GHG projects and biodiversity initiatives.

- (d) Guide the BioCarbon Program rules and requirements for the projects and initiatives seeking approval under the BioCarbon Standard.
- (e) Propose the creation of specialized committees to support the development of the company in the overall achievement of its objectives, including defining and approving the terms, composition, functions, and procedures of these groups.
- (f) Oversee the information process and communications of reports or changes in company's organization.
- (g) Periodically evaluate the results and performance of the Company and assess whether the team has the appropriate knowledge and skills.
- (h) Suggest the dissolution or the or merge the Organization with another entity.
- (i) Address any matter deemed by the Director to be consistent with the principles and objectives of the Organization.
- (j) Any other matter relating to Code of Good Practices, anti-corruption and anti-bribery procedures, and program principles that are cross-cutting elements of the BioCarbon operation that may be deemed important for the approval by the Board.

5.2 Chief Executive (CEO)

The CEO legally represents the company to third parties. It may enter or execute all acts or contracts included in the organizational mission or related to its existence and operation. Also, the program's CEO executes the decisions of the Board of Directors.

The CEO, as a legal representative, has the broadest powers to act in all circumstances on behalf of the company, except for those powers which, according to the articles of association, the shareholders have reserved for themselves. Concerning third parties, the company will be bound by the legal representative's acts and contracts.

5.3 Executive Director

The Executive Director is responsible for the direction manages, administers, and in coordination with the CEO carries out all the operations included in the corporate purpose, ensuring that it is fulfilled.

The Direction and Management oversees hiring the necessary personnel to carry out the Executive Board's decisions and resolves everything related to the labor scheme that is incumbent upon it, with the power to delegate functions in this area. This area is responsible for entering into contracts and obligations and executing the administrative acts of the company.

Within the framework of its functions, it shall ensure that resources are optimized to meet the company's objectives and supervise the performance and report to the Executive Board promptly on the activities, evaluations, and improvement plans related to fulfilling the policies and goals set. Likewise, it shall do the due reporting to the company and shareholders.

It is responsible for inter-institutional relations and participating in the collective construction of alternatives that favor GHG projects and biodiversity initiatives, promoting the strengthening of the sector and preserving impartiality.

5.4 Compliance Area

This area is in charge of the design, implementation, and monitoring of Code of Good practices, anti-corruption and anti-bribery procedures, and program principles which are cross-cutting elements of the BIOCARBON operation.

In order to ensure alignment of the program activities with the program's principles and rules, this area ensures the update and monitoring of the procedures established in the document of management of impartiality, document defines that the fundamental principle for the management of impartiality applicable to third parties including Conformity Assessment Bodies CAB's in charge of the validation and verification of GHG projects and biodiversity initiatives.

5.5 Technical Committee

The Technical Committee is responsible for providing support in constructing methods, data and conceptual approaches to ensure the quality of GHG project and biodiversity initiatives that are evaluated, approved and registered with the PROGRAM (GHG Crediting Program and Biodiversity Crediting Program).

From this Committee, interrelations and practices associated with national and international regulations are created, which are essential to address the carbon market's current needs and other stakeholders. In this way, it seeks to have a direct impact on low-carbon growth and sustainable development.

The developments and approaches of this group of experts are based on their own experiences, on the company's needs to maintain the observance of the proposed objectives, and on the expectations of the market agents, which lead to applicable and replicable responses in the short term.

The Technical Committee provides essential knowledge, concepts and technical input to support the decision-making process and governance of the Executive Board. Within this framework of action, this Committee is responsible for:

- (a) provide guidelines for the design and approval of processes related to the evaluation and registration of GHG projects and biodiversity initiatives,
- (b) support the improvement of the BIOCARBON PROGRAM and the rules and procedures.
- (c) support the technical construction of methodologies for quantification of GHG reductions or removals and net gains in biodiversity, in sectors, and for types of projects eligible for the BIOCARBON PROGRAM,
- (d) support the technical preparation of the rules and procedures in order to approval and registration of biodiversity initiatives,
- (e) take decisions on the acceptance of methodologies formulated by other stakeholders,
- (f) provide the basis for the performance of Validation and Verification Bodies (VVB) through a standardized management system, and ensuring that both the requirements established by BIOCARBON, and the rules defined in sectoral, national, or international standards are met,
- (g) to contribute all their knowledge and experience in whatever task their support and professional work is required, bearing in mind the company's values.
- (h) Oversee all complaints and/or procedural complaints relating to the Standard, registered projects or the use of methodologies (where relevant to technical matters) where such complaints cannot be adequately dealt with or are not resolved by the Compliance Officer.
- (i) Periodically review CDM contents to identify changes and alert about potential incompatibility between eligible methodologies and tools with BioCarbon sets of rules. The technical committee will inform about the findings, and BioCarbon will publicly communicate updates and decisions.

5.6 Advisory Group

The members of the Advisory Group are responsible for providing support, and advice the Executive Board on new regulations and their future impact on the market; to ensure that BioCarbon is in line with international requirements and procedures, avoiding risks and maintaining the quality of the BioCarbon program. It also provides expertise on innovation in the development of new methodologies, conceptual approaches, new technological and digital developments in the carbon market and/or emissions quantification and monitoring processes and biodiversity.

5.7 Program Management and Operations Area

The standards and methodologies of BioCarbon are applicable to projects located in the entire world. Thus, a recent development in BioCarbon aims to include the Program management area within the Organizational structure of the company. The main responsibility of this area is the interaction with projects located abroad to facilitate their understanding of the Standards and methodologies of BIOCARBON.

Under this area, a priority is to explore market opportunities in other continents and identify key sustainable development networks, and best practices in the carbon market that share the principles of BIOCARBON. This area seeks to establish strategic alliances with other organizations for the development of methodologies, market access and commercial relationships.

5.7.1 Program Manager

The Program Manager develops strategies and coordinates and directs action plans across the team to align efforts for successful program operations. The Program Manager links and enables coordination and communication between decisions made by the Board and the Executive Director and management to the operational team/staff.

The Program Manager leads the interaction with national governments, organizations, and stakeholders. Moreover, oversees the accreditation process and fosters synergies with worldwide initiatives with common goals in terms of best practices, transparency, integrity, and provision for the operationalization of the Paris Agreement. Some of the key responsibilities of the Program Manager include:

- (a) manage collaborative processes, strategic alliances and work agendas to expand program offerings and enhance participation in international carbon and biodiversity markets;
- (b) define long-term goals and establish roadmaps to achieve these goals, linked to strategies to complement the Program's efforts in international carbon and biodiversity markets;
- (c) coordinate interactions with governmental agenda holders in the field of compliance markets to achieve BIOCARBON's participation in national climate change programs;
- (d) lead the agenda related to compliance with the Paris Agreement at the government level, including anything related to avoiding double counting;
- (e) identify objectives and define joint working patterns, including the distribution of activities and the articulation of team efforts;
- (f) prepare reports on team performance, identify opportunities for improvement, and generate actions to maximize results;

- (g) support the evaluation of applications from GHG projects for approval, registration, and issuance of Verified Carbon Credits;
- (h) address the preliminary assessment for GHG projects aimed to migrate to BioCarbon and generate finding /observations/request. Including double-checking of the status of "cancelled" or "withdrawn" of credits in other GHG registry systems.

5.7.2 Operations and Engagements Officer

Supports the engagements with project developers in carbon markets as well as promoting project registration under BioCarbon.

This position requires engaging with financial institutions and funding organizations to connect them with developers in need across various sectors worldwide. Additionally, it involves developing strategies for fostering innovation and keeping up with the latest trends in the carbon market agenda. This includes identifying ways for BioCarbon to participate in or benefit from emerging technologies and regulations.

Along with publicly speaking at events and engaging with government representatives regarding its climate, sustainable development, and climate change leadership objectives, the role also involves attending meetings with government officials and key market partners to further increase understanding and adoption of the BioCarbon.

5.7.3 Regional Representative Eurasia

Support the creation of markets and alliances aimed at increasing the participation of BioCarbon in the carbon and biodiversity markets, manage agendas in the Eurasia region, coordinate strategies and concrete actions that involves the approval and registration of projects under the Programme, maintain its integrity and impact, especially in the Eurasia region.

As well as support innovative and technological processes and development of methodologies and tools related to carbon standard, climate actions and sustainable development of BioCarbon.

5.7.4 Ecosystems and Biodiversity

This area provides support for everything related to the Biodiversity Crediting Program and methodologies to demonstrate net gains through biodiversity conservation activities. It oversees reviewing the biodiversity conservation initiatives that are submitted for approval and registration and also proposing strategies that enable BioCarbon participation in the biodiversity-credit market. It leads the communication with key stakeholders and intended users regarding the biodiversity and strategic ecosystems agenda.

5.8 Chief Sustainability Officer

The Chief Sustainability Officer (CSO) oversees key sustainability initiatives, including leading the division, promoting sustainable practices, and ensuring transparency in processes.

The role includes leading assessment and approval with a community focus, fostering local relationships, and empowering women in BioCarbon's sector. In addition, the CSO supports global alliances, prepares reports for standards such as the Global Compact, and generates materials for outreach. In essence, the position focuses on embedding sustainability practices, community engagement, and global participation within BioCarbon.

5.9 Technology and informatic operation

The area of technology and registry operation leads the overall performance of the registry system. GLOBAL CARBONTRACE, such registry administrator, are in charge of the development and maintenance, following strictly the guidelines define by the BCR STANDARD and prioritizing measures to ensure reliability, transparency, and traceability of the Verified Carbon Credits.

This area supervises the maintenance of the registry system as well the periodical controls of cyber security. The registry platform are protected with BlockChain technology which guarantees the fidelity and security of the data storage in the Registry System.

A pivotal task of the area es support to the Program Director and Management in the design and implementation of measures related to the registry, to avoid doble counting of the GHG reductions in concordance to program rules⁶.

As well, is responsible for periodically reviewing records and transactions, withdrawals of Verified Carbon Credits and Biodiversity Credits, while maintaining impartiality and confidentiality. They are also responsible for maintaining the Verified Carbon Credit Declaration Issuance and the Retirement Statements.

⁶ <https://biocarbonstandard.com/en/double-counting/>

5.10 Administrative and accounting area

The administrative area supports the fulfillment of the company's objectives, from integral management and adjusted to the Executive Board and the shareholders' vision.

It is in charge of planning and supervision of issues related to financial planning, administrative record-keeping, invoicing, staff relations, and company logistics.

It is also in charge of accounting management and tax management and settlement. Among its functions are keeping a record and control of the documentation related to that purpose, applying everything required by the company in tax matters.

In summary, the administrative and accounting area is responsible for managing the organization's human and financial resources.

5.11 Communications area

The communications area's role is to lead the communications activities of BIOCARBON, both internally and externally. In fulfilling its function, the communications area establishes the content and means of communication, ensuring coherence and consistency with its communication objectives and codes. Likewise, it considers the particularities of the intended users and interested parties.

In this context, the communications area manages the company's image, making it visible, and strengthening communication channels by adequately involving the target audience.

6 Decision making process

The BioCarbon decision-making process follows the principles outlined in section 3 of the company's document. The executive board engages in extensive analysis and deliberation to evaluate potential impacts on company performance and objectives, taking into account technical, operational, sustainable, and financial considerations. Depending on the nature and importance of the decision, consultations may be initiated to incorporate diverse perspectives and ensure broader alignment with the Technical Committee as well with the Advisory Group (AC).

The Executive Board convenes periodic meetings to discuss and make decisions, and formal voting procedures are followed; decisions require a clear majority for approval. The rationale and supporting information for each decision is documented at the meeting, this documentation serves as a historical record and supports transparency in the decision-making process.

Meetings of the Board of Directors, whether regular or special, may be held by any means of communication (video, telephone) by which all persons participating in the meeting can hear each other. Any action which may be taken at a meeting of the Board of Directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the directors. Such consent shall be recorded in the minutes of the organization and shall have the same force and effect as a unanimous vote of the directors taken at a meeting.

The Executive Board of BioCarbon, CEO and Directors are responsible for making decisions related to the company's operations. These decisions are communicated to all employees through policies, guidelines and established processes detailed in the Standard Operations Process document (SOP). However, in case of any situations, actions, or events that occur outside of normal operations, the operational staff will receive the issue and shall escalate it to the Technical Committee, Compliance Officer or directly to the CEO, based on the situation.

The CEO and the Executive Director will review the case and discussed in committee with the Executive Board. If required, the Executive Board may seek advice and opinions from experts through the Advisory Group. Once a decision is made, the CEO is responsible for communicating, directing, and assigning the actions to be taken to the relevant area or personnel. Figure 2 for a detailed flowchart of the decision-making process.

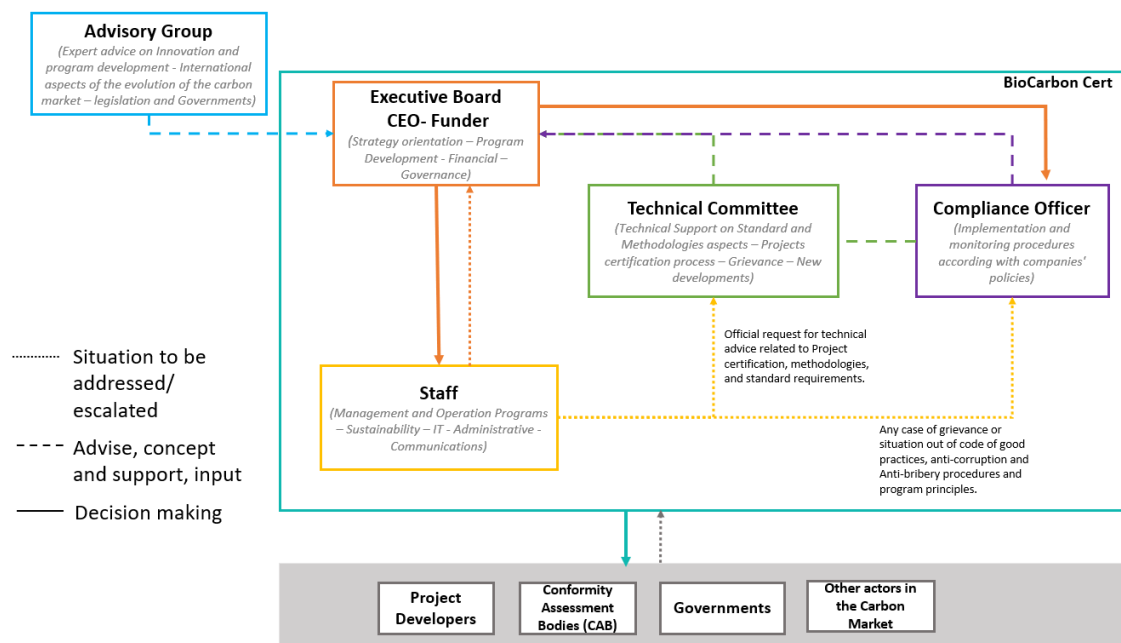


Figure 1 Decision making process flow.

7 Long Term Plan

The Executive board has the responsibility for setting strategic objectives, monitoring performance, and ensuring proper risk management. It also emphasizes the importance of the Board's independence, competence, and diversity.

Therefore, had underline a set of provisions for its multi-decade planning and informs about measures for preparedness and adaptability to unforeseen circumstances. As a result, a "Long-Term Management Plan" has been developed to guide BioCarbon in formulating strategies for potential program dissolution scenarios, highlighting the need for continuity, responsible asset management, and preservation of achievements even in the face of change. For more information, you can send an email to info@biocarbonstandard.com.

8 Antibribery Policy

The purpose of the Antibribery policy of BIOCARBON is to ensure that BIOCARBON meets its Anti-Corruption requirements and to demonstrate to our interested stakeholders that we are committed with the Principles of the United Nations Global Compact in the area of Anti-Corruption, providing effective enterprise risk management through a focus on legislative compliance with both the local and the international Anti-Corruption Regulations and Standards.

8.1 Conflict-of-Interest

The Antibribery Policy includes issues related to non-conflicts of interest. For the purpose of the Policy, a conflict of interest is a situation where business, financial, family, political work or personal interests come into conflict (or are very likely to conflict) with the judgment of persons in carrying out their duties for BIOCARBON. In other words, the person is confronted with choosing between the duties and demands of his/her position and his/her own private interests.

In relation to potential or actual conflict of interest, the following requirements and procedures shall be met and followed:

- (a) Potential conflicts of interest should be identified and declared by the person affected by the potential conflicts to the Compliance Officer at compliance.officer@biocarbonstandard.com or reported by another staff of BioCarbon by using the Ethics and Compliance Channel (<https://canaletico.es/en/biocarbonstnadard>) as soon as they become aware of such potential conflicts of interest.
- (b) Such disclosure or report should be made to the Compliance Officer using the Conflict-of-Interest Declaration Form.

- (c) The evaluation of a potential conflict of interest shall be made by the Compliance Officer.
- (d) The evaluation carried out by the Compliance Officer may determine the absence of conflict of interest, or it may lead to the conclusion that:
 - (i) The respective person should not go ahead with the evaluated activity; or that.
 - (ii) The person should recuse himself/herself from taking part in decision making by BioCarbon with reference to the matter in conflict.

The Compliance Officer should document the above in the Conflict-of-Interest Disclosure Register and notify the respective person and the direction by e-mail. The director should acknowledge receipt of the e-mail within three (3) days.

In addition to the above procedure, all directors and professionals of BIOCARBON shall declare their financial and non-financial interests through the Annual Declaration Form to be filled in every year (in May).

The direction of BIOCARBON is responsible for ensuring that all persons associated with the activities of BIOCARBON are made aware of the Policy and Procedures regarding conflict of interest.

8.2 Code of ethics

BIOCARBON has designed and is implementing the Code of Ethics that establishes a set of measures to keep the recognition that everything we do will be governed by integrity, honesty, transparency, quality and in full compliance with our compliance obligations.

In BIOCARBON, we do believe that respecting these values is critical to maintain our good reputation and success and that all our personnel from the governing body to our professionals will be fully committed to the promotion and protection of our corporate values.

We are also aware of the importance of the role played by our corporate leaders, and we encourage them to lead by example and spread a culture of compliance, trust and accountability within the Company.

8.2.1 Ethics and compliance channel

Every person associated with BIOCARBON shall avoid or manage any real or perceived conflict of interest (e.g. by refraining from any decision making or voting on matters subject to a potential conflict of interest), and openly acknowledge any potential or actual conflict of interest which arises through his/her association with BIOCARBON and communicate same to the Compliance Officer of BIOCARBON at

compliance.officer@biocarbonstandard.com or by using the Ethics and Compliance Channel <https://canaletico.es/en/biocarbonstandard>).

In BIOCARBON, we also encourage our internal and external stakeholders to use our Ethics and Compliance Channel to raise questions and/or concerns about possible breaches of the principles and standards of the Company, established in this Code of Ethics, as well as in our Policies, regulations or any applicable laws.

8.3 Whistleblowing Policy

The Whistleblowing Policy and Internal Investigations Manual provides the guidance of the procedure to follow when a breach is identified, including conflict of interest and unethical behavior.

This Policy is in line with the relevant national and international legislations and standards that specifically govern the required behaviors and business conduct regarding:

- (a) The prevention of transnational bribery and corruption;
- (b) Whistleblowing systems; and
- (c) Whistleblower protection.

8.4 Procurement Policy and Third-Party Due Diligence Procedures

Procurement has been generally recognized as an area vulnerable to risks of corruption and malpractices. This Procurement Policy is intended to provide a guidance to all the personnel of BIOCARBON that contract with different third parties, such as (but not limited to) clients, suppliers, agents, consultants, commercials, collaborators, subcontractors and professional service providers to enhance integrity throughout the Procurement process.

In particular, the objectives of this Policy are to:

- (d) Guide BIOCARBON's personnel to carry out Procurement processes in an ethical, transparent, accountable and fair manner;
- (e) Provide general guidance to enhance the capacity of BIOCARBON's personnel in managing procurement effectively;
- (f) Obtain value for money when procuring goods and services; and
- (g) Contribute to BIOCARBON's commitment in the fight against corruption and fraudulent purchase.

This Policy hence defines the requirements for an effective management and oversight of third parties and sets out the rules and procedures to follow for establishing and monitoring business relationships with clients, suppliers, agents, consultants, commercials, collaborators, subcontractors and professional service providers, namely with regards to:

- (i) Assessing the need of goods or services to contract;
- (ii) Determining who will be the best supplier of the goods or services; and
- (iii) Ensuring that the goods or services are delivered according to agreed terms and specifications.

9 Privacy and data protection

Considering that BIOCARBON has a public register⁷ containing information on GHG projects, project holders, validation and verification bodies and, in general, on stakeholders, it shall comply with the national legislation's provisions governing this matter.

Per, and in the first place, for the handling and administration of data, the principles set out in Law 1266 of 2008⁸ are considered, namely:

- (a) Principle of truthfulness or quality of records or data. The information contained in the databases shall be accurate, complete, exact, updated, verifiable, and understandable. The recording and disclosure of partial, incomplete, fractionated, or misleading data is prohibited;
- (b) Principle of finality. The administration of personal data shall obey a legitimate purpose following the Constitution and the law. The objective should be informed to the holder of the information prior or concomitantly with the granting of the authorization, when it is necessary or in general whenever the holder requests information about it;
- (c) Principle of restricted movement. The administration of personal data is subject to the limits derived from the nature of the data. The provisions of Law 1266 and the principles of personal data administration shall be applied, especially from the tenets of the temporality of the information to data banking.

⁷ Public registration on the BioCarbon website: www.globalcarbontrace.com

⁸ Diario Oficial No. 47.219 de 31 de diciembre de 2008

Personal data, except for public information, shall not be accessible on the Internet or by other means of dissemination or mass communication, unless access is technically controllable to provide restricted knowledge only to holders or users authorized under this law;

- (d) Principle of the temporality of information. The owner's report may not be provided to users or third parties when it no longer serves the purpose of the database;
- (e) Principle of critical interpretation of constitutional rights. This Act shall be interpreted in such a way that legal reasons such as habeas data, the right to a good name, the right to honor, the right to privacy, and the right to information are adequately protected. The holders' rights shall be interpreted in harmony and balance with the information provided for in article 20 of the Constitution and with the other applicable constitutional rights;
- (f) Principle of safety. The information that makes up the individual registers that constitute the data banks referred to in the law, as well as that resulting from the consultations made of it by its users, shall be handled with the technical measures that are necessary to guarantee the security of the registers, avoiding their adulteration, loss, consultation or unauthorized use;
- (g) Principle of confidentiality. All-natural or legal persons involved in public personal data administration are obliged at all times to guarantee information's privacy. Even after their relationship with any of the data administration task has ended. They may only provide or communicate data when this corresponds to the development of activities authorized in this law and the terms of the same.

BIOCARBON respects and guarantees the fundamental right to habeas data and the protection of other rights of Registry users, through the use of consultation or complaint procedures, without prejudice to other constitutional and legal mechanisms.

Similarly, BIOCARBON complies with the provisions of the General System for the Protection of Personal Data (Law 1581 of 2012⁹), concerning the provisions of Article 9 (Authorization of the holder), which state: "*Without prejudice to the exceptions provided*

⁹ The purpose of the Act is "to develop the constitutional right of all persons to know, update and rectify information collected about them in databases or archives, and the other constitutional rights, freedoms and guarantees referred to in article 15 of the Constitution; as well as the right to information enshrined in article 20 of the Constitution". Diario Oficial No. 48.587 de 18 de octubre de 2012.

for by law, the processing requires the prior and informed authorization of the holder, which shall be obtained by any means that can be consulted later."

In this regard, at the time of applying for an account in the registry system, the project holders shall complete and sign an account opening application form which includes general information, information on the authorized person; it also contains the statements on the authority to apply for the opening of an account in the Registry, on behalf of the entity.

Finally, in compliance with the provisions of the Presidency of the Republic of Colombia (Decree 1337 of 2013¹⁰) regarding "*regulating the authorization of the Data Subject for the Processing of his/her data, the Processing policies of those responsible and in charge, the exercise of the rights of Data Subject, the transfer of personal data and the responsibility shown for the Processing of personal data.*" BIOCARBON collects data, limiting itself to those personal data pertinent and adequate for the purpose for which they are collected or required per current regulations.

In the same way, BIOCARBON has defined an information processing policy, within the framework of which the persons responsible for the processing are determined, ensuring that the persons in charge of the processing comply fully.

Among the components of this policy, which constitutes handling the registration and the relationship with the users, the company has a document called Terms & Conditions. Registration System dictates the terms and conditions of Registry, operated and administered by BIOCARBON.

In summary, considering the legislation in force and considering the fundamental rights of the users foreseen in the registration system, BIOCARBON has established the necessary policies for the handling of personal data and implemented safe and reliable mechanisms for the protection of these, guaranteeing confidentiality and rigor in the treatment of data.

¹⁰ Which partially regulates Law 1581 of 2012, partially repealed by Decree 1081 of 2015.

ANNEX A. GLOSSARY OF TERMS

Authorization

It is a prior, express, and informed consent of the owner to carry out the processing of personal data.

Database

It is an organized set of personal data that is subject to processing.

Client

Person or organization that might receive or is receiving a product or service intended for or required by that person or organization.

Conflict of interest

The situation in which, because of other activities or relationships, impartiality in the performance of validation or verification activities is compromised.

Competence

It is the ability to apply knowledge and skills to achieve expected results. Demonstrated competence is sometimes referred to as qualification.

Personal data

It is any piece of information linked to one or more determined or determinable persons or associated with a natural or legal person.

Design and development

Set of processes that transform the requirements for an object into more detailed requirements for that object.

Note 1: The requirements that form the input for design and development are often the result of research and maybe expressed in a broader sense than the elements that form the output for design and development.

Note 2: A qualifier may be applied to indicate design and develop's nature, e. g., design and development of a product, design, and development of a service or design and development of a process.

In charge of the treatment

It is a natural or legal person, public or private, who, by himself or in association with others, carries out the processing of personal data on behalf of the Data Controller.

Strategy

Plan to achieve a long-term or global goal.

Gestion

It means Coordinated activities to direct and control an organization.

Impartiality

It means the presence of real and perceived objectivity and absence of bias.

Objectivity

Objectivity means that conflicts of interest do not exist or are resolved so that they do not adversely influence the validation or verification body's subsequent activities.

Validation and verification bodies

They are independent entities that carry out validation and verification processes of GHG projects. The VVB is responsible for conducting an objective assessment and issuing a validation or verification statement for the project holder's information. VVB is accountable for dictating other criteria defined by the GHG Programs or carbon standards and the National Government.

Organization

It is a person or group of people who have their responsibilities, authorities, and relationships to achieve their goals. The organization's concept includes independent workers, company, corporation, firm, company, governance, partnership, association, charity or institution, or a part or combination thereof, whether constituted or not, public or private.

Interested party (Stakeholder)

A person or organization that may be affected or be perceived to be affected by a decision or activity.

Policy

Those are the Intentions and direction of an organization, as formally expressed by its senior management.

Data controller

A natural or legal person, public or private, that by itself or in association with others decides about the database and the data processing.

Holder

It is A natural person whose personal data are subject to processing.

Holder of the information

It is the natural or legal person to whom the information in a data bank refers and subject to the right of habeas data and other rights and guarantees related to this law.

Project holder

It is the natural or legal person, public or private, responsible for the formulation, implementation, monitoring, and registration of a GHG project.

Treatment

It is any operation or set of processes concerning personal data, such as collection, storage, use, circulation, or deletion.

User

The user is the natural or legal person who, in the terms and circumstances provided by law, can access personal information of one or more holders of the information provided by the operator or by the source, or directly by the owner of the data. As soon as he has access to third parties' personal data, the user is subject to the fulfillment of the duties and responsibilities provided to ensure the protection of the rights of the data subject.

Intended user

Individual or organization identified by GHG reporters as one who uses such information for decision making.

History of document

Type of document. Corporative policy.

Version	Date	Nature of the document
1.0	April 27, 2020	Initial version
2.0	February 4, 2022	Adjusted version Add Section International operations area Copyright BioCarbon Registry Minor editorial changes
3.0	March 7, 2023	Adjusted version Organizational Structure updated Add section Compliance and Sustainability Section Antibribery policy Minor editorial changes
3.1	December 22, 2023	Copyright BioCarbon Cert Minor editorial changes
4.0	January 31, 2024	Adjusted version Add section Advisory Group, Decision-making process, Long Term Plan, Change International operations area for Management and Operation area Add section Program Manager, Operations and Engagements Officer, Regional Representative Eurasia, Ecosystems and Biodiversity Update section Chief Sustainability Officer Update of Organigram chart