

**GRUPO COPPEL  
INTEGRITY PROGRAM**

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**GRUPO COPPEL'S  
POLICY ON DONATIONS  
TO AUTHORITIES AND  
GOVERNMENT  
INSTITUTIONS**



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**2022**

## GRUPO COPPEL ' S POLICY ON DONATIONS TO AUTHORITIES AND GOVERNMENT INSTITUTIONS

The purpose of this policy is to establish the assumptions for the viability of donations, distinguishing between those that are permitted and those that are prohibited, as they could be potentially considered as an act of corruption or bribery, in any of its forms. The procedures established in this policy are mandatory for Shareholders, Board Members, Directors, Employees and third parties contractually related to any of Grupo Coppel's companies.

### THIS POLICY INCLUDES:



#### ALLOWED DONATIONS BY GRUPO COPPEL

Committed to improving the community where Grupo Coppel conducts business, donations are given to authorities and/or government institutions as part of the commitment to our corporate social responsibility, which must be in accordance with the support topics: social welfare and health; education; disasters and emergencies, as well as protecting the environment.

Therefore, only donations that comply with each of the following regulations are allowed:

- Donations that promote the quality of life of the community, that are aligned with Grupo Coppel's corporate values and are in line with the aforementioned support topics.
- That the donation does not seek to influence, or may be perceived to influence, a promise, offer, delivery or other decision in favor of Grupo Coppel.
- Donations will be delivered to authorities and/or governmental institutions legally empowered to accept them, prior issuance of the respective tax receipt, in accordance with current legislation.
- All requests for donations, as well as those that could be considered as sponsorships, will be processed, if presented, at least 15 days before the event or social program is held.
- Those that are not under an alleged or actual conflict of interest with Grupo Coppel.



## PROHIBITED DONATIONS BY GRUPO COPPEL

- Donations must not be offered, promised or given (directly or indirectly) to a governmental institution or organization, with the purpose of influencing or inducing a member of such institution or organization to use its influence to obtain or guarantee an undue advantage for the benefit of Grupo Coppel.
- Donations prohibited by national and/or international legal provisions in which Grupo Coppel conducts business.
- Donations granted as a bribe request, in violation of **Grupo Coppel's Anti-Corruption Policy**.
- Donations requested in favor of government officials, their relatives, or third parties with whom they have any relation.
- Donations in cash or in kind that constitute contributions for political purposes, in accordance with **Grupo Coppel's Anti-Corruption Policy**.
- Donations to governmental organizations whose objectives are incompatible with Grupo Coppel's corporate values, Code of Ethics and Anti-Corruption Policy.
- Donations offered before, during or immediately after a minimum of 6 months, from negotiations agreements, procedures, registrations and/or any other authorizing administrative act and those which represent an alleged or real conflict of interest or potential bribery or corruption event with the requesting authority or governmental institution.
- Those donations related to festivities (**Government Workers Day, Police, Firemen, Day, Christmas Parties, Day of the Dead, Independence, Revolution, Carnivals and other federal, state or municipal festivities of the authorities**).
- Those donations when any government official request any of the following products: **cell phones, electronics, household appliances, furniture, watches, automobiles, motorcycles and ATVs, since they are not related to a benefit for the community**.
- Those donations that do not comply with the provisions of this policy.



## TRANSPARENCY PROCEDURE

All requests received inside our working centers will be evaluated by Coppel Community in coordination with the National Compliance Management, in order to ensure the legality and transparency of its granting:

- **Record the request.** Original letter requesting the donation or support, with the signature of the government official, on a letterhead and with the stamp of the requesting public institution and an extra copy for the knowledge of its internal control department. The body of the letter shall describe the request, reason and destination of the requested item.
- **Due Diligence.** Reputational due diligence must be carried out on the recipient of the donation in order to determine its legitimacy and dismiss that the request is used as a bribery. Therefore, it is mandatory to carry out the **CHECK LIST AND QUESTIONNAIRE** established in **APPENDIX A** of this document.
- **Compliance Status.** The National Compliance Management will request and obtain from the corresponding department, a status of permits or licenses close to expire, expired, pending and recently issued in order to identify possible conflicts of interest or risks of bribery in the granting of any economic contribution or in kind and the legal analysis that empowers the authority to receive donations.

In the event that the research of the National Compliance Management is fully provided with the items established above, and it is determined that Coppel or any of its subsidiaries or related companies, is facing an alleged or actual conflict of interest or bribery risk, the authority will be answered with a **RESPONSE OF NOT ACCEPTANCE** of the request of **APPENDIX B**, which will be based on this decision and motivated by falling under any of the assumptions described in **Chapter II. Prohibited Donations**. The acknowledgement of receipt shall be sent to the National Compliance Management for its record in the requesting file.



## FINANCIAL AND NON-FINANCIAL RECORDS

- The Institution that submitted the request to the National Compliance Management must specify the institution to be wired, the account and sub-account where the donations are deposit for their proper accounting record in accordance with decisions 3-L, Authorized Institutions for Merchandise Donation and 96-G Management of Damaged and Incomplete Merchandise in Stores and Distribution Centers, in clothing and footwear, both under Coppel Community.
- That the concept requested by the government institution from the beginning is the final concept invoiced and granted.
- Evidence of the approvals required for the payment of the requested item. As well as the necessary approval for in-kind donations in accordance with the aforementioned Coppel Community decisions.
- Granting donations according to the company's income and the region's budget. The tax department will annually release the percentage available to donate to government institutions, in accordance with the company's profits and the applicable tax regulations.

- It is strictly forbidden to use the resources of the company's Credit Accounts, Petty Cash or any other source of cash held at the Working Center for the payment of any donation.
- All donations must be paid only by check or transfer, with prior authorization from the National Accounting Management, in order to be authorized and deductible.
- There must be a predetermined list of governmental institutions authorized to receive donations in accordance with the SAT (Tax Administration Service).
- The CFDI (Legal Invoice) of the donation must be included in the donation file, as a backup before the tax authorities.
- The auditing department must ensure compliance with the guidelines established in this chapter, and will apply the corresponding sanction in the event of noncompliance with the financial and non-financial records described above.



## RECORD OF DONATIONS TO AUTHORITIES AND/OR GOVERNMENT INSTITUTIONS

The National Compliance Management shall keep record of the donations in a logbook, creating a digital file with the information provided by the institution that sent the request, which shall contain the documents listed below:

1. Original Document of the requesting letter with signature, stamp of the authority and/or governmental institution, with a copy of the internal control department of the requesting institution or authority stating its consent for the donation.
2. Acknowledgement of receipt of the written response of Non-Acceptance of Donation (in the case of not granting the request).
3. Acknowledgement of receipt of the Request for Transparency letter.
4. Due Diligence Folder (Check List and Questionnaire).
5. Response letter from the internal control department of the authority and/or requesting institution.
6. Acknowledgement of receipt of the Donation Acceptance Response.
7. **PROOF OF DELIVERY OF THE DONATION APPENDIX E**, always accompanied by the tax-deductible invoice (CFDI), photographs of the benefit granted to the community of the region and/or letter of gratitude.

## **ADDITIONAL IMPORTANT ASPECTS:**

The National Compliance Management will issue an annual report to the Ethics Committee about donations granted to authorities and/or governmental institutions during the immediately preceding year. This report shall include the date, beneficiary, person requesting the donation, amount, description of the donation, and attachments of proof of delivery as detailed in this policy.

Coppel Community shall share with National Compliance Management the record of the past year's donations from government institutions within the first quarter of each year. National Compliance Management will compare this information with the records collected during the immediately preceding year and will request clarification of any potential divergence or differences in the information.

In order to effectively record donations, the Finance Department, through the accounting department, must include in Grupo Coppel's accounting records the details of the donation and the account and sub-account numbers, which reflect the accounting procedure of the donation, and must share this information with National Compliance Management within the first quarter of each year, as well as the total amount granted. National Compliance Management will compare this information with the records collected during the immediately preceding year and will request clarification of any potential divergence or differences in the information.