



CODE OF  
**CONDUCT**

**EXECUTE AND EXCEL**



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## LETTER TO THE KUO COMMUNITY

*Our performance in accordance with the guidelines of the Code of Conduct is the tool that generates trust among the persons who are the foundation of KUO*

### DEAR EMPLOYEE,

The main driver of the market leadership and growing success of **Grupo KUO** is the commitment of its people; those who over the years have surmounted challenges and obstacles and who have achieved to make a difference and a positive and motivating impact on us, as well as on the company and the country.

The performance of everyone who is a part of KUO is consistent with our values: Integrity, Institutionalism, Leadership, Teamwork, and Innovation. These values lead our behavior and our actions, to achieve the Mission and Vision of KUO. The respect and the responsibility we show to our Shareholders, Partners, Employees, Clients, Suppliers, the local Communities, Government, and work sites, are the elements that allow us to feel proud of the products and services we offer.

Our congruent behavior regarding the Code of Conduct's guidelines, is the KUO's employees confidence generating tool, where the leaders are the main integrity and inspiration motor, in the existing different managing and operating processes should promote integrity and inspiration. This Code will be a guide allowing us to better understand what the right behavior is in specific situations. Therefore I encourage you all to read it, understand it and to live up to its guidelines.

Do not hesitate to consult your direct boss or the human resources department, in order to communicate your doubts, concerns and suggestions concerning any topic described in this Code.

**I appreciate all your support, enthusiasm, and commitment to live up to this Code. I also encourage you to keep working as a team and to strive towards continuous innovation, based on efficient communication and intellectual honesty.**

**Alejandro de la Barreda Gómez**  
Chief Executive Officer

## 1

# OUR CODE OF CONDUCT

*"Congruence is the foundation of trust among people."*



## 1.1 SCOPE

This Code of Conduct is applicable to achieve the balance between the short and long term decisions of **Grupo KUO** community, formed by our shareholders and partners, our human capital, our clients and suppliers, our community, our government and labor unions, in each country in which we carry out our activities.

The compliance of principles and rules included in this document is also applicable to contractors and their staff, external advisors, professional fees staff, temporary staff, clerks, and other suppliers, whether they provide a service within **Grupo KUO** or they develop their activities in other fields on behalf of the Group.

## 1.2 GRUPO KUO'S PHILOSOPHY

### MISSION

The creation of sustainable and satisfactory value for our stakeholders through the efficient management of a dynamic business portfolio.

### VISION

At **Grupo KUO**, we envision our growth and consolidation through value creation, based on the following principles:

**The pride** we feel for being a socially responsible company that maintains a reputation of honesty, solidity and its ability to create value for stakeholders;

**The strong profitability** of the company, which is reflected in the sustainable generation of value by its businesses;

**The alliances** we establish with our business partners and suppliers, which are always focused on creating value for both parties;

**The satisfaction** resulting from exceeding the expectations of our clients by being their best option in quality, service, innovation, and technology;

**The strength** that means being part of a world-class team of motivated professionals who see their constant availability as a priority and who share **Grupo KUO's** business objectives and values;

**An organization** comprised of a dynamic portfolio of companies focused on the creation of sustainable value, with an agile and flexible structure that favors the appropriate adjustment to the market's demands;

**The commitment** towards the communities in which we operate. This is reflected in our active participation in favor of their development and sustainable environment.

## OUR VALUES

The performance of each and every one of those who are a part of **Grupo KUO**, must be consistent with the values that guide our behavior.

### Integrity

We always aim to guarantee the coherence between what we think, what we say, and what we do, trying to maintain win-win relationships.

We identify three integrity aspects: material, which refers to responsibility and total transparency in resource management; intellectual honesty, which implies the commitment to express our thinking and our beliefs; and moral, which means respect for the ethical rules, taking into account the consequences of our actions when fulfilling our function.

### Institutionalism

We behave according to the mission, vision, and values of Grupo KUO's values, closeness to its systems addressing our actions, tasks, and responsibilities, be it inside or outside of the enterprises, to the benefit of the organization and its stakeholders.

### Leadership

We assume the commitment of endeavoring to always be the best in everything we do and to be key actors in defining the performance, quality, and service criteria in our business environments.

### Teamwork

We unify talents and efforts to achieve our common goals because we consider collaboration and team work as key factors of competitiveness, which allow us to gain experience, knowledge, and skills to achieve results.

### Innovation

We promote the creation of value through transforming ideas into new processes, products and services that are appreciated by our stakeholders.

Through new knowledge and ideas we systematically challenge our thinking.

We challenge incremental and disruptive improvement solutions based on the needs of our clients and the organization itself, considering an integral scope towards the innovation of products, processes, technologies and business and organizational models.

We promote in our staff the generation of multiple and diverse ideas, with tolerance to risk and failure, provided that they result in visible learning.

# 2

## STAKEHOLDERS

*"We are a universe of persons  
and the performance of one of  
us affects the others".*



### 2.1 OUR SHAREHOLDERS AND PARTNERS

We are committed towards our shareholders and business partners to protect their assets and to increase them in real terms, as well as to procure the generation of value they expect, through the efficient management of a dynamic business portfolio. Such commitment requires from every KUO-employee the adherence to the following actions and principles:

#### 2.1.1 Value creation

Our priority as **Grupo KUO** is the creation of value and the protection of our shareholder's equity. The generation of value will always be our main responsibility, without compromising in the long term the growth and sustainability of the business.

#### 2.1.2 Asset protection

For the purpose of generating benefits for our Group, we protect the assets of **Grupo KUO** and its subsidiaries against any loss, theft, and misuse.

#### 2.1.3 Appropriate handling of information, property of Grupo KUO and its companies

**Grupo KUO** and its companies are the owners of the information they generated and developed as a result of their business activities.

We look after the patents, trademarks and other intellectual and industrial property rights that are **Grupo KUO's** assets; therefore Grupo KUO-employees are committed to guarantee their proper use.

It is our duty to protect the information entrusted to us by our shareholders, commercial partners, employees, clients, and suppliers. A person that has access to this kind of information, needs to respect the non-disclosure agreements, as the case may be. If confidential data need to be disclosed to competitors, other organizations or anyone unaffiliated to **Grupo KUO**, such disclosure must first be checked with the General Counsel and the Institutional Relations Department, and be authorized by the Responsible Senior Manager <sup>(1)</sup>.

### 2.1.4 Participation or interest in other enterprises

We avoid any participation in or have an active financial interest in any of our current clients, suppliers, or competitors. "Active financial interest" refers to being the owner, controlling shareholder or being a close relative to any partner or employee of an enterprise which is a client, supplier, or competitor of a **Grupo KUO** enterprise. In case you would have acquired, prior to the date of this Code of Conduct, a direct financial interest related to such a third party, please disclose this to the Responsible Senior Manager <sup>(1)</sup>. You will have to restrain from participating in the decision-making process of such third party. For any exception to the above mentioned, a prior notice and authorization of the Responsible Senior Manager is required <sup>(1)</sup>.

### 2.1.5 External Board of Directors

The participation in any Board of Directors (or a similar function) in a company which does not belong to **Grupo KUO** must be communicated to the responsible Senior Manager <sup>(1)</sup>.

## 2.2 OUR HUMAN CAPITAL

We offer our employees a working environment that promotes a high sense of responsibility, productivity, development, and quality of life, according to the working environment and business situation each one belongs to.

We consider our human capital as the basis for an effective and sustainable creation of value.

### 2.2.1 Commitments of Grupo KUO employees

The employees of **Grupo KUO** are committed to:

- Achieve the mission and reach our organizational goals, based on **Grupo KUO's** values;
- Consider the interests of **Grupo KUO** as a priority while making decisions;
- Be transparent and responsible when using the resources we are in charge of;
- Work at all times with intellectual honesty, truly expressing our knowledge, opinions and thoughts without maliciously misleading or confusing, and always with respect for the copyright of others (e.g. quoting the original source); directly expressing thoughts or ideas without pretending to mislead, confuse, or look for hidden intentions;
- Perform our commitments in a consistent and responsible way;
- Perform and respect the social responsibility principles, by recognizing our stakeholders' needs and looking for sustainability in our processes with a vision of respect towards people, ethic values, community, and the environment;
- Fulfill and enforce the institutional policies and procedures;
- Comply with the national legislation in the different countries in which we operate;
- Always live up to our values.

(1) Responsible Senior Manager Authorization.

In the case of employees or managers, they shall notify or require the Business Strategic Unit (BSU) or Control and Service Unit Management (CSU) authorization.

BSU and CSU Managers shall notify or require the Grupo KUO Executive Officer authorization.

Grupo KUO Executive Officer shall notify or require the authorization from the Executive President and chairman of the Board of Directors.

### 2.2.2 Respect

Consistent with the values we practice, our interpersonal relationships are supported by trust and collaboration. Therefore,

- We do not discriminate for any reasons such as gender, marital status, age, religion, physical ability, preferences or social class;
- We carefully listen to everybody and value different opinions, beliefs, and ways of thinking. Even more, we promote the right to dissent and differ; we respect any person's ideas, irrespective of the hierarchical level, always searching to explain ideas, reasons, and opinions in an open discussion about them;
- We hire and incorporate new employees based on a procedure which takes into account the proven capacity, professional experience, proactive attitude, abilities, profile fulfillment, and each candidate's level of identification with our values, when integrating to **Grupo KUO**;
- We promote timely and efficient communication, in order to establish strong relationships with our stakeholders, contributing to the achievement of our strategic goals;
- We promote a work environment in which the employees of **Grupo KUO** can find confidence and openness for carrying out their duties in ideal circumstances, in healthy conditions and with a proper work-life balance;
- We respect the free choice of employees to support every cause they prefer, as well as to participate in the community, cultural, charitable, and political organizations they choose. These activities shall however be carried out in one's own name, as to avoid giving the impression of acting on behalf of and/or representing **Grupo KUO**. Such external activities must not interfere with the employee's performance at work.

### 2.2.3 Personal Data

We protect the compilation, processing and transfer of the personal data of employees, clients, suppliers, partners, and third parties, through designed processes and systems, managed by the organization itself, in compliance with the Mexican Federal Law on Protection of Personal Data Held by Private Parties or, where applicable, similar foreign law equivalents.

### 2.2.4 Image and External Communication

Every external communication related to **Grupo KUO**, its subsidiaries or brands, which has an impact on **Grupo KUO**, must be appropriate, precise, complete, and presented in a fair and accessible way. The Finance and Management Department as well as the Legal and Institutional Relations Department are responsible for every contact and information releases directed towards the industry, commerce, investors, analysts, and media.

### 2.2.5 Social networks

We are responsible for preserving the brand image of **Grupo KUO** while using it in any social media network. If an employee of **Grupo KUO** uses the social network for work issues, he/she must follow **Grupo KUO's** corporate image guidelines.

### 2.2.6 Industrial safety

We are committed to keeping our businesses safe, as well as their operating processes sustainable. The nature of our processes implies risks. We have the obligation to keep a preventive attitude with zero tolerance towards insecure actions and risk situations.



## 2.3 OUR CLIENTS AND SUPPLIERS

In **Grupo KUO** we look for effective win–win relations, aiming at the creation of value for everyone who is involved.

### 2.3.1 Quality of our processes, products and services

It is our purpose to preserve the highest quality standards when manufacturing and distributing our products and services, producing quality products at competitive market prices and a corresponding service level.

### 2.3.2 Relationships

We rely on relationships within an ethical framework and an honest behavior while doing business. We promote among our clients and suppliers the compliance with the Code of Conduct, making sure that every commercial relation is in accordance with the applicable laws and this Code of Conduct.

### 2.3.3 Information

We are committed to protect confidential information provided by our clients and suppliers, when it is required.

### 2.3.4 Supplier Portfolio

Only suppliers who have a solid reputation in fairness and who demonstrate integrity in their behavior, have the option of being a part of our supplier portfolio. We impartially select suppliers, based on quality criteria, competition, profitability, industrial security, and service.

### 2.3.5 Competitors

We are committed to independently bid in the market while complying with laws and regulations on competition in the countries in which we have activities.

### 2.3.6 Information about competitors

We do not use illegal methods to obtain information about competitors and we reject every kind of industrial espionage. It is strictly forbidden to enter into illegal agreements with competitors. It is also strictly prohibited to share confidential information about **Grupo KUO's** subsidiaries outside the legal framework or in violation of a non-disclosure agreement that applies to this subject-matter.

## 2.4 OUR COMMUNITY

In **Grupo KUO** we keep a Social Responsibility approach, as we are concerned about the protection of the environment and we promote sustainable development in the communities in which we carry on business.

In our search for creation of value, we also take into account the respect for people, ethical values, the community, and the environment. This is evidenced and ratified with the Socially Responsible Company distinctive sign awarded by the Centro Mexicano de Filantropía, A.C. (CEMEFI) in the framework of its enterprises program.

### 2.4.1 Environment

In **Grupo KUO** we develop and operate processes that respect the environment, based on:

- Preservation of the sustainability of our operations, guaranteeing our employees' and the communities' integrity, based on the prevention and the proper contingencies management, according to our Crisis Management System.
- Being innovative, innovation allows for better environmental practices, such as among other, emission reduction, the use of clean energy, energy saving systems, and preservation of natural resources, to achieve a lower environmental impact and the expansion of such practice in the whole value supply chain.

- Operating in compliance with the environmental regulations, it is our purpose to conduct our activities in a sustainable manner while respecting and protecting the environment. This is in line with our sustainability and corporate social responsibility policies.
- Commitment with the continuous improvement we look for maintaining and obtaining new national and international certifications that acknowledge **Grupo KUO's** environmental and sustainable performance.
- With the purpose of keeping our commitment to have better practices, that achieve a better performance and to mitigate any environmental impact, we

#### 2.4.2 Community outreach

**Grupo KUO** participates in and supports the communities where it conducts activities, directly or indirectly, by promoting the creation of jobs.

We promote a social responsibility culture with our employees through social participation and corporate voluntary work programs, in which we work together with civil society organizations. Employees have the opportunity to freely participate in the communities and to share our values therewith.

#### 2.4.3 Relation with NGO's

We respect the right of our people to belong to and participate in Non-Governmental Organizations (NGO's) which address issues that are considered of interest for the society.

Employees should however take the following into account:

- Potential communication or interaction on behalf of KUO or any of its subsidiaries with an NGO must previously be notified to the Legal and Institutional Relations Department.
- In every relationship, **Grupo KUO's** legitimate interest should be protected.

## 2.5 OUR GOVERNMENT AND LABOR UNIONS

Anywhere **Grupo KUO** carries out its operations, whether in its home state or abroad, such operations imply an interaction with the governments. Even then, we remain attached to the values of **Grupo KUO**.

### 2.5.1 The government as governing entity

We strictly comply with the laws which apply to the activities we carry out. We do this with a high sense of business ethics.

### 2.5.2 The government as client and supplier

**Grupo KUO's** relationships with national governments or any of their institutions, be it as a client or as a supplier, are managed in accordance with section 2.3. No preferential treatment shall be offered.

### 2.5.3 Labor Unions

We respect the ideology / principles of the labor unions that represent the interests of our employees, as a condition to generate collaboration and mutually beneficial relations.

**Grupo KUO's** employees acting on behalf of labor unions, will seek at all times the protection of the common interest as well as the common well-being, over their own personal interests.

# 3

## CONFLICTS OF INTEREST

*"Every act has consequences.  
Foreseeing them avoids conflicts."*



There is a conflict of interest when your personal interests or behavior compromise, or seem to compromise, the ability to act in the best interest of **Grupo KUO**. It is not allowed to use one's own position to take personal advantage or to grant benefits to third parties. Employees should avoid every situation in which their loyalty could be, or appears to be, at risk.

### 3.1 ADDITIONAL WORK

The fact that an employee performs other professional activities outside **Grupo KUO** should not affect the compliance with his/her obligations undertaken vis-à-vis **Grupo KUO**. Before an employee can accept any additional remunerated work outside **Grupo KUO** he or she shall at all times obtain the prior written consent of the Responsible Senior Manager <sup>(1)</sup>.

### 3.2 RELATIONSHIP OF EMPLOYEES WITH SUPPLIERS OR CLIENTS

There is a conflict of interest if an employee works simultaneously for **Grupo KUO** and for a supplier or customer of **Grupo KUO** or any of its subsidiaries.

### 3.3 COMPETITION WITH GRUPO KUO UNDERTAKINGS

It is strictly forbidden to work for, get involved in or develop activities that imply competition with **Grupo KUO** or any of its subsidiaries.

### 3.4 USE OF PRIVILEGED INFORMATION

It is referred to any act, fact or events of any nature that influences or may influence the prices of **Grupo KUO's** values, or those of other enterprises that belong to the Group, known as relevant events, which have not been disclosed to the investor at large. The Chief Executive Officers, Managers and Employees who have Access to such kind of information must avoid:

- To directly or indirectly execute transactions in securities to which this information pertains, including transactions in any kind of **Grupo KUO's** securities;
- To disclose to any person, even family, any privileged information, including information regarding suppliers and clients;
- To recommend a stock market transaction based on privileged information.

These activities are illegal and subject to civil and criminal sanctions.

### 3.5 RELATIVES AND ACQUAINTANCES

- There is a conflict of interest if a close relative works for or has a participation in a supplier, client or competitor of **Grupo KUO** or its subsidiaries;
- The employees shall avoid participating in any kind of decision-making related to the above-mentioned subject;
- If an employee considers that it is faced with such a situation, it must communicate this as soon as possible to the Responsible Senior Manager <sup>(1)</sup>;
- Employees are not allowed to directly or indirectly obtain any kind of participation in such third party, as long as they are in a professional relationship with **Grupo KUO**.

### 3.6 ACCEPTANCE OF GIFTS OR PERSONAL FAVORS

- It is forbidden to receive money, gifts, courtesies, tickets for cultural or sport events, or any other kind of benefits from suppliers, clients or prospective clients;
- Any exception must be directly authorized by the Responsible Senior Manager <sup>(1)</sup>;
- Promotional items or other kinds of courtesies according to usual commercial practices, items of symbolic value and which do not compromise or appear to compromise the business judgment, are excluded.

(1) Responsible Senior Manager Authorization.

In the case of employees or managers, they shall notify or require the Business Strategic Unit (BSU) or Control and Service Unit Management (CSU) authorization.

BSU and CSU Managers shall notify or require the Grupo KUO Executive Officer authorization.

Grupo KUO Executive Officer shall notify or require the authorization from the Executive President and chairman of the Board of Directors.

## 4

## INAPPROPRIATE CONDUCT AND DEEDS

*"Identifying our limits allows us to act with intellectual honesty".*



Inappropriate conduct and events are events in which a **Grupo KUO** employee prioritizes a personal benefit over the values that must lead the behavior of **Grupo KUO** employees <sup>(2)</sup>. This includes, but is not limited to the following issues:

### 4.1 MISAPPROPRIATION OF ASSETS OR INFORMATION

We do not benefit from our position in the organization to take away or to use **Grupo KUO's** properties, assets, and/or information for personal benefit or for non-authorized purposes. We do not use privileged information for personal, family or third parties' benefit.

### 4.2 CORRUPTION

We do not, under any circumstance, accept the offer, payment, request, or receipt of any kind of illegal or unethical bribe, as well as of rewards, presents, benefits, or similar hidden payments. This applies to every location in which **Grupo KUO** operates. No exception applies; even if this would be a local custom or if the competition would do such things.

We do not illegally grant money or grant any other kind of reward to third parties for the purpose of reaching a certain goal/target more easily.

It is not allowed to ask for or condition a negotiation by receiving a present, kindness or courtesy.

(2) Action guides:  
Code of Conduct, Policies, Procedures, current Laws and Regulations.

### 4.3 UNETHICAL BEHAVIOR

We do not harass. Threats, physical and/or verbal violence to subordinates and team members are considered as intimidating behavior.

We do not use improper language (verbal or corporal). The same applies for criticism, nicknames and offensive or discriminative words to any of **Grupo KUO's** employees or any of its stakeholders.

We do not offend, insult, damage, or take abuse of team members, managers, subordinates, etc.

We do not practice mobbing. We do not allow any behavior that harms a person's dignity, nor creating an intimidating, hostile or aggressive work environment.

We do not practice sexual harassment. Behavior in which a person, no matter his/her gender, asks for sexual favors in return for rewards or better working positions, is strictly forbidden.

The use, distribution, transportation, and sale or possession of any kind of illegal drugs or psychoactive drug, as well as the use of alcohol, is forbidden at the facilities and during working hours. We do not tolerate the possession, dealing, or being under the influence of such drugs during working hours, at **Grupo KUO's** facilities or at any event sponsored by **Grupo KUO**.

We do not discriminate on the basis of gender, marital status, age, religion, race, physical ability, nationality, preferences, or social class.

We do not damage **Grupo KUO's** image or brands.

We consistently report actions that contravene this Code of Conduct.

### 4.4 FRAUDULENT FINANCIAL INFORMATION

The following actions are considered to constitute fraud based on financial information:

- Intentional manipulation of the book records, with information that does not reveal the actual financial situation of **Grupo KUO** and its subsidiaries;
- Not disclosing the operations with the people related to or carrying out this kind of operations outside the limits established by the applicable regulation;
- Making fictitious operations such as purchases, proof of expenses, loans, as well as the alteration of documents related to the purchases of goods and services;
- Omitting or not informing about any serious financing or operational irregularity;
- Counterfeiting of documents or distorting the true nature of finished transactions;
- The employees must be sure that the accounting books, files, and accounts that were trusted to them accurately reflect the carried out transactions and comply with the current rules about financial information and comply with the internal control system of **Grupo KUO**.
- The employees must follow the guidelines issued by **Grupo KUO** as well as the applicable laws about the data and document conservation, protection, and destruction.

## 4.5 RELATED PARTIES

The operations (transfer of resources, services or duties) carried out with related parties must be made at market value and market conditions and must be disclosed according to financing reporting standards.

## 4.6 HIRING OF RELATIVES

Managers and employees in general are restricted to hire direct relatives, collaterals or political relatives, in the following cases:

As employees in related positions or where they have a significant direct or indirect influence;

As goods and/or services suppliers.

Hiring the abovementioned persons will only be allowed when authorized by the Responsible Senior Manager <sup>(1)</sup>.

## 4.7 MONEY LAUNDERING

Commercial transactions must be carried out with clients or suppliers whose identity, reputation and activities are verifiable and lawful. **Grupo KUO's** employees must fulfill local and international regulations against money laundering and for the prevention of the financing of illegal activities.



(1) Responsible Senior Manager Authorization.

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Grupo KUO Executive Officer shall notify or require the authorization from the Executive President and chairman of the Board of Directors

## 5

## OBLIGATIONS

*"The participation begins in consciousness and becomes an act or abstention".*



We are committed to this Code as it strengthens our values and is considered to be the basis of our strategy.

### 5.1 AS GRUPO KUO'S EMPLOYEES:

- We comply with the Code of Conduct and we follow the company's policies;
- We ask for help every time we are not sure if the decision we are making is ethical or legal;
- We notify prompt every activity which is considered to constitute an infringement to the Code of Conduct;
- We cooperate with **Grupo KUO's** representatives in internal investigations;
- We escalate to a local management member every ethical issue that once it was brought up to the manager, he/she has failed to deal with.

### 5.2 AS DIRECTORS, MANAGERS AND SUPERVISORS OF GRUPO KUO:

- We behave in an integer manner and inspire trust. We are an example, both in words and in actions;
- We promote a mutual, open and honest communication with team members, encouraging them to ask questions and expose concerns about ethical problems. It is our aim to always provide them with prompt solutions;



- We encourage the team members to consult us when they are faced with certain issues and we inform them about possible infringements in order to make sure that they are not going to be the subject of any sanction;
- We advise about any illegal or unethical behaviour, adopting the correct measures arising from this Code of Conduct;
- We assure that the employees receive the necessary training and information about the policies and operative ways to follow in their respective position and categories;
- We behave with intellectual honesty and we inform about any situation in which compliance of the Code of Conduct is difficult to fulfil;
- We certify that the processes in our care are regulated by policies or applicable procedures.

### 5.3 PENALTIES

The breach of this Code of Conduct may cause, as far as permitted by local laws and regulations and local internal work rules and policies, among others, a warning, the termination of a working relationship, and as the case may be, civil or criminal penalties, according to the applicable legislation.

These penalties apply in cases of:

- Committing acts that infringe the Code of Conduct;
- Requesting others to infringe the Code of Conduct;
- Refusing to cooperate with investigations directed by **Grupo KUO's** representatives;
- Practicing reprisals to employees that have informed in good faith the occurrence of breaches of this Code or alleged the existence of said breaches;
- Using the feedback mechanisms to send insults, phrases with double meanings, as well as messages with political or religious content.
- Sending messages with political or religious content.



## 6

## FEEDBACK AND TRANSPARENCY

*"There is someone who listens and does something".*



Do we know which situations to report or to avoid in **Grupo KUO**?

Indicate for the following examples to which situation they are related to:

- 1) Usually, during the Christmas season the company's suppliers send different kinds of gifts to the Purchasing staff; nevertheless, one of **Grupo KUO's** initiatives consists in gathering at the front desk all the gifts and raffle them among the employees. "Although this warning, some team members ask the supplier to deliver the gifts to their personal address".  CI  CHI
- 2) A supervisor, due to the hierarchical level, applies verbal violence (swear words) to some of his/her employees. The employees do not report such situation because they fear a reprisal.  CI  CHI
- 3) Extraordinary discounts or any other kind of privileges for **Grupo KUO's** employees or their relatives, given by suppliers, contractors, or clients; discounts that the general public or the same team members are not entitled to.  CI  CHI
- 4) "I am worried about the materials I am supervising in the warehouse because these materials have not been moved in a long time. I have reported the status so it can be evaluated and counted according to my procedures, but there is no answer from the Management yet".  CI  CHI
- 5) "I have seen that an employee with more experience for the company continuously offends his/her newly hired assistant and has already threatened that if he/she talks about it, he/she will report that he/she performs badly and is not capable for the position. Many colleagues already know about the situation, but nobody says anything because this person has always behaved like this".  CI  CHI
- 6) An employee is a supplier of the same items his/her area manages.  CI  CHI

|  |    |     |
|--|----|-----|
| 7) Selling to a client while not having enough information to identify such client.  | CI | CHI |
| 8) Granting or receiving rewards, favors, or improper payments that can compromise the prestige and interests of <b>Grupo KUO</b> .  | CI | CHI |
| 9) Particular activities carried out during the time the employee works for <b>Grupo KUO</b> or a subsidiary, or using the resources which are a property of <b>Grupo KUO</b> to get a particular personal economic benefit.   | CI | CHI |
| 10) Accepting transactions with people or entities whose activity cannot be proven or is suspected to be carrying out illegal activities.  | CI | CHI |
| 11) "My supervisor has given me the order to deactivate a security device without the approval of the safety and health area".   | CI | CHI |
| 12) Deleting documents or information without previously knowing their content and whether the documents are subject to certain preservation requirements of a legal or tax nature.  | CI | CHI |
| 13) The employee responsible for the maintenance of the equipment and machinery receives cable for carrying out different activities; nevertheless, he/she does not use the whole cable provided and he/she retains a small part of it for himself/herself instead of returning it to the spare parts warehouse. | CI | CHI |
| 14) A maintenance employee owns a maintenance company for which also he carries out maintenance jobs and he/she hires himself/herself for maintenance jobs to be done for <b>Grupo KUO</b> .   | CI | CHI |
| 15) Manipulating, deforming, hiding or delaying the information necessary for making decisions.  | CI | CHI |
| 16) "In my plant, I observe that some colleagues take the material in good condition, property of the company, and put it in the trash. Afterwards the trash supplier recovers these materials, getting it out from the plant, for its personal benefit".  | CI | CHI |

|  |    |     |
|--|----|-----|
| 17) Receiving goods from <b>Grupo KUO</b> or its subsidiaries with preferential employee-benefits and subsequently sell them at a higher price.  | CI | CHI |
| 18) Making sexual insinuations to another colleague.   | CI | CHI |
| 19) My department makes orders directly to some suppliers without quotation or validation from the purchase department. They run the orders later, and register them as travel expenses.   | CI | CHI |
| 20) Hiring, promoting or supervising a direct relative who works in a related area.  | CI | CHI |
| 21) Providing information about employees of <b>Grupo KUO</b> to a third party who does not have any relation with the company.  | CI | CHI |
| 22) Commercializing for one's own benefit the results of any research work, inventions, enhancements, innovations and developments carried out at the facilities, and under the responsibility and collaboration of <b>Grupo KUO's</b> employees.  | CI | CHI |
| 23) For purchasing transactions, selecting suppliers if you know they are owned, controlled or managed by close relatives or friends of yours.   | CI | CHI |
| 24) When conducting control activities for protecting assets and risk information a person omits to report the loss or the improper use of risk.   | CI | CHI |
| 25) "My direct supervisor continuously gets closer to me which makes me feel uncomfortable. With a work excuse he/she tries to be alone with me during hours nobody is in the office. In his/her office he/she insinuates to me or plays with topics that are not related to work. I am afraid to report it, because I need to keep my job, as I am the only source of income in my family". | CI | CHI |

- 26) Improper use of **Grupo KUO's** resources that under one's responsibility, are being used to promote or collaborate with an unauthorized or illegal external activity.  CI  CHI
- 27) "My boss asks me to coordinate a new process, which is fundamental for the organization. However, I do not have the necessary knowledge or abilities. I prefer not to mention it because I could lose my job".  CI  CHI
- 28) "There is a supplier who has reached out to me in order to gain information about the internal processes of the company".  CI  CHI
- 29) Being the owner or the co-owner of an enterprise that has a commercial relationship (customer, supplier, and investor) with **Grupo KUO**.  CI  CHI
- 30) Generate a hostile working environment, through making frequent jokes or showing materials that make fun of or offend a team mate just because of his / her gender, condition, race, creed or appearance.  CI  CHI
- 31) Carrying out, as part of its job, without authorization, commercial transactions with **Grupo KUO's** former employees.  CI  CHI
- 32) Refusing to collaborate or assist with determined persons due to their race, religion, sex or another feature protected by law.  CI  CHI
- 33) Receiving from suppliers, clients, or competitors money, gifts, presents, or personal favors that have a considerable or sumptuous value, especially if there is a decision-making process (on behalf of **Grupo KUO**), and that such process involves them.  CI  CHI
- 34) Using the organizational chart to receive personal benefits through other team members.  CI  CHI
- 35) Personal relationships whose nature may generate a conflict with their working responsibilities and / or compromise the interest and prestige of **Grupo KUO** and its subsidiaries.  CI  CHI

- 36) How I can report a situation that does not comply with the Code of Conduct?

A Via mail denunciaskuo@kuo.com.mx  
And to the phone 01 800 700 4586

B By informing to Human Capital

- 37) What should a report that is sent by E-mail to the Feedback and Transparency Inbox contain?

A A description of the situation, subject of the complaint.

B A report supported with evidence of non-compliance with:  
i. the Code of Conduct;  
ii. KUO's general regulations or those of the company to which I belong to;  
iii. the laws of the place where we operate; or  
iv. procedures or internal guidelines.

“Every Grupo KUO employee must report any improper behavior”.

In order to keep a direct communication with the persons who have questions or concerns, about how to apply this code or that are aware of improper behaviors of any member of **Grupo KUO**, we make available the following feedback mechanisms:

Feedback and Transparency Inbox  
[denunciaskuo@kuo.com.mx](mailto:denunciaskuo@kuo.com.mx)

Phone MEXICO  
01 800 700 GKUO (01 800 700 4586)

USA  
1 866 494 80 05

Direct communication: 5261 80 00  
Internal Control and Normativity ext. 3151  
Internal Audit ext. 3053

## KUO'S COMMITMENTS REGARDING FEEDBACK:

### Confidentiality.

All the information related to the complaint must be duly protected by every person involved in the communication, investigation, and resolution process.

### Security.

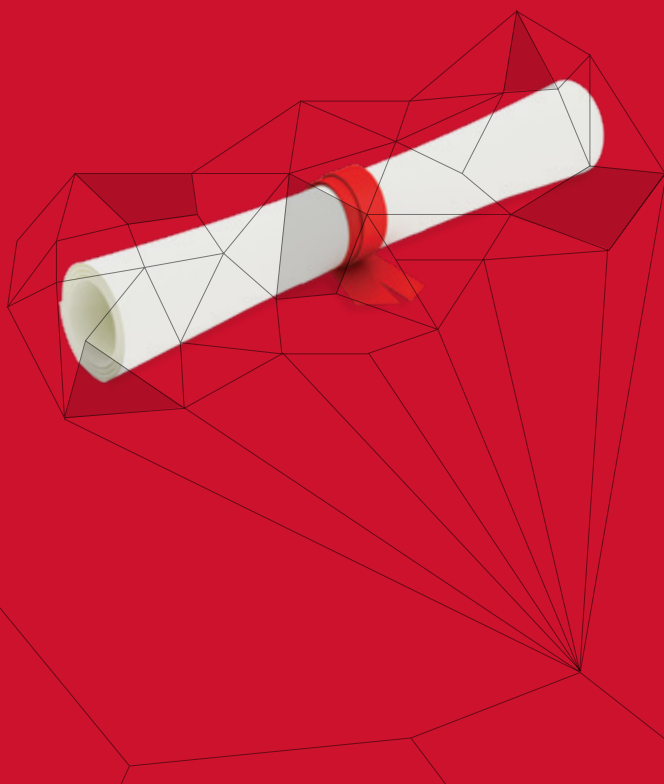
**Grupo KUO** forbids any reprisal acts against any employee for communicating, in good faith, ethically questionable situations or irregularities he/she identifies.

### Respect.

Parties involved in a complaint will never be confronted with each other. Every report is important and will be analyzed and investigated thoroughly.

## 7

## ENDORSEMENT AND COMPLIANCE LETTER



This Code of Conduct must be followed by (i) the management of **Grupo KUO** and of any of its subsidiaries, (ii) **Grupo KUO's** clients, and (iii) **Grupo KUO's** suppliers, including its service providers.

Additionally, every three years:

- The Code of Conduct will be confirmed or updated.
- **Grupo KUO's** community must sign the endorsement letter in which the compliance of our Code of Conduct is certified.

Situations which have not been covered in this Code of Conduct, shall be resolved considering the rest of **Grupo KUO's** policies.

The Executive Committee, through the Audit Committee, shall be responsible for supervising the application of the current Code, as well as for defining its interpretation in case of doubt and applicable penalties. For such purpose, the Audit Committee shall be supported by the Management Committee of **Grupo KUO**.



## ENDORSEMENT AND COMPLIANCE LETTER

I: \_\_\_\_\_  
 In my capacity of <sup>(3)</sup> \_\_\_\_\_  
 of the company: \_\_\_\_\_  
 have received **Grupo KUO's** Code of Conduct.

I represent that I will comply with the Code of Conduct as well as **Grupo KUO's** policies, to which I manifest my whole understanding and adhesion.

If I become aware of any breach or possible breach of the Code of Conduct of **Grupo KUO**, I will report this by using the Feedback and Transparency Inbox and dialing at no cost 01 800 700 GKUO (01 800 700 4586), or to the e-mail address: **denunciaskuo@kuo.com.mx**; in the understanding that the handling of information shall be strictly confidential.

Under no circumstances will I take any reprisal against any person who, in order to comply with his/her duties notifies in good faith any breach to **Grupo KUO's** policies.

I commit myself to participate in the communication of events related to this Code.

The Code of Conduct is available to me for consultation on the following route: <http://www.kuo.com.mx>

\_\_\_\_\_  
 NAME and SIGNATURE

\_\_\_\_\_  
 DATE

(3) Choose one: Employee / Supplier / Customer / Partner.

## TERMS GLOSSARY

Find it at: [www.kuo.com.mx](http://www.kuo.com.mx) and at the intranet:  
<http://miespacio/Paginas/myspace.aspx>

Or ask for it by dialing  
**(+52) 55 5261 8000 ext. 3151**

For any comments regarding this Code of Conduct, contact us at:  
**(+52) 55 5261 8000 ext. 3151**  
[control.normatividad@kuo.com.mx](mailto:control.normatividad@kuo.com.mx)



