

CODE OF CONDUCT



GRUPO ÁRMAS
INTERCAMBIADORES DE CALOR AUTOMOTRIZ



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Message from the administration office

Motores y Aparatos Eléctricos de Durango, SA de CV, since its foundation has been distinguished for being a company that promotes values of loyalty, honesty, respect, social responsibility and commitment to people and institutions with whom the company interacts.

In order to reaffirm the values that govern our acting as collaborators of Motores y Aparatos Eléctricos de Durango, SA de CV, establishes this code of conduct, which is a guide that requires the commitment of each and every one of us who integrates this organization, therefore, its observance and correct application will be our responsibility, as well as making it known to our stakeholders.

As general manager, I will comply and enforce the code of conduct.

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INTRODUCTION

This code of conduct is of general application and its purpose is to regulate the behavior and behavior of employees and our stakeholders in congruence with the principles and values of Motores y Aparatos Eléctricos de Durango, SA de CV, which in the future will be called MAEDSA.

At MAEDSA we respect and comply with the stipulations of the laws, regulations and applicable rules, so the present code cannot go against any of these.

Our stakeholders or concerned parties are made up of:

- Collaborators
- Union
- Customers
- Suppliers
- Government
- Environment
- Neighbors

Values are moral principles that guide our behavior.

The ethics committee is the body in charge of enforcing this code of conduct, as well as the anti-corruption policy.



MISSION, VISION AND VALUES

MISSION: to develop and produce products that reach and exceed the expectations of our customers better than any other provider; with the commitment to be a highly productive company, humane, innovative and competitive.

VISION: be a good alternative for our clients which feeling satisfied to have selected us; so that our staff feels proud to belong.

VALUES: in our company we are guided by the following:

Loyalty: it is the accuracy in the fulfillment of commitments with fidelity, honesty, truthfulness and sincerity of treatment in relationships with respect to others.

Honesty: as a premise to live in solidarity, is the veracity of word and deed, which excludes all pretense.

Respect: consists in being aware that we are part of the organization and appreciate it accordingly.

Social responsibility: it is our commitment in the economic balance, social and environmental. MAEDSA values the impact of its actions on its employees, customers, suppliers, government institutions, the community and the environment.

Commitment: it is the obligation that comes with the organization

Attitude: always positive.



COLLABORATORS

Employability policy: in motores y aparatos eléctricos de durango, respect for diversity is promoted, for this reason we are attached to the political constitution of the United States of Mexico in its article 123, to the federal labor law and other applicable legislation to prevent discrimination.

- In MAEDSA we carry out the recruitment, selection and hiring of collaborators, considering the inclusion of people without distinction of age, sex, race, religion or disability.
- We promote equal opportunities in hiring and promotion, making the decision based on criteria related to employment only.
- In MAEDSA we categorically reject discrimination, as well as forced and child labor.

Corporate diversity policy: in Motores y Aparatos Eléctricos de Durango, SA de CV, the inclusion of vulnerable groups within the organizational structure, because of this the following objectives are established:

- Have a minimum of 30% of women in the operative staff.
- Have a minimum of 10% of employees over 45 years of age in operational positions.
- Ease of hiring people with disabilities, as long as they do not affect the safety of a collaborator.



Work-family balance: in order to promote balance in the labor and family activities of our collaborators, MAEDSA establishes the following benefits:

- Three days off with salary to the employee who gets married by civil law and shows proof of documentation.
- Special permission to go to elementary school graduations and later levels of education of their children.

Collaborators are guided by the following principles

- Caring for the reputation of the MAEDSA through our behavior, opinions of third parties and respect for the culture of the company.
- Generate interpersonal relationships among collaborators based on camaraderie, mutual respect and trust, with the purpose of contributing to the fulfillment of the mission of MAEDSA through the dignity of people.
- Make good use of working time, as well as equipment, tools, materials and any material and intellectual resource that is granted by the company.
- Stick to policies, procedures, manuals, regulations and other information that regulate our operations.
- Protect the confidential information of MAEDSA, collaborators, products, processes, customers and suppliers.
- Avoid hiding, falsifying or subtracting information. As well as the undue disclosure of the company's own information.



- Report possible conflicts of interest between personal interests and those of the company:

A collaborator incurs a conflict of interest when, once he has complied with what is due, he guides his decisions, judgment or acts for his own benefit or that of a third party, his inclination being frequently of an economic nature.

- Avoid and prevent unacceptable behaviors:

Behavior, intimidation, harassment, unnecessary evidence of people's mistakes.

Sexual harassment behaviors: direct or subtle sexual proposals. Handling or touching, displaying pornographic content. Transmit or send messages with immoral or obscene content.

Responsibility for the use of goods and information

The collaborators are responsible for protecting the assets of MAEDSA and guarantee its efficient use.

- Theft, neglect and waste have a direct impact on the company's work. Therefore, the collaborator is obliged to:
 - a) Make proper use of the goods, use them only for work purposes and for legal and ethical activities.
 - b) Protect the assets to prevent them from suffering damage, waste, loss, misuse or theft.
 - c) Eliminate goods only when the corresponding approval has been obtained.



- Employees who withdraw from the company are prohibited from subtracting by any means (digital, printed or physical), information or assets of the organization.
- Any collaborator whose activity requires subtracting material resources from the facilities must justify and request permission to the management, which will be in writing.

Information management

The collaborators can be assured that MAEDSA will be prudent with the handling of information that may affect their professional and personal development.

The information generated within MAEDSA, related to its activities or third parties is considered confidential and/or reserved. This information may not be used for a purpose other than its own.

The information related to the personal data of each collaborator is protected in all terms established by the personal data protection law.

The information that is handled in MAEDSA is classified as:
Reserved, confidential and free. (see glossary)



To help protect the interests of MAEDSA, you must follow the following guidelines:

- Avoid using confidential information for personal benefit or for the benefit of others.
- Avoid revealing confidential information to another person.
- Avoid discussing confidential information in public places where it could be heard by others.



RELATIONSHIPS WITH THE WORK UNION

In MAEDSA, there is the single union of workers at the service of Motores y Aparatos Eléctricos de Durango, SA de CV, C.T.M., which supports the operative-level collaborators who freely wish to join it.

MAEDSA, is committed to maintaining a relationship with the union representatives of the organization in order to ensure the benefit of employees, take care of working conditions, promote innovative and good actions practices; promoting sports, social, cultural and educational actions to improve the conditions of the unionized and non-unionized.

The union representatives commit to:

- Collaborate with MAEDSA in the search for employee benefits and their families.
- Support the actions that MAEDSA carries out for reasons of protection of the worker and the environment.

Raise awareness among employees about the importance of respect for standards established by the company, committing to give full compliance, acting as a mediator before the collaborator and the company.



RELATIONSHIPS WITH CUSTOMERS

Quality politics

Our policy is to plan, produce and deliver products with a focus on client complying with the applicable requirements to guarantee your satisfaction, through the prevention of defects, risk reduction and continuous improvement in the effectiveness and efficiency of our quality management system.

The objectives towards quality are:

- Reduce internal rejections
- Reduce external rejections
- Comply with the times agreed by the client
- Control and reduction of scrap

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The clients have founded their trust towards MAEDSA through the quality of our products and the service provided.

Relationships with clients are based in the first instance on the attention and service, prioritizing compliance with delivery commitments and applicable customer, legal and regulatory requirements.

- No collaborator should condition their services or products before the clients, in the same way, no advantage will be taken or favoritism or opportunism, establishing mechanisms to prevent acts of corruption.
- The collaborators will handle the information ethically and professionally related to customers and respect their intellectual property.



- The areas involved will avoid, in negotiations with our clients, unfair trade practices.

Conflict of interests with customers

The collaborators of MAEDSA avoid obtaining financial incentives at all times or of any kind to favor the interests of customers against the interests of the company.



RELATIONS WITH SUPPLIERS

En MAEDSA nos comprometemos con nuestros proveedores At MAEDSA we are committed to our suppliers to:

- Choose and hire suppliers through the application of criteria transparent and objective. Committing our suppliers to avoid: child labor, forced labor, harassment and discrimination and adherence to current labor legislation and international treaties in human rights matters.
- Establish transparent relationships with suppliers, based on business ethics, mutual trust, anti-corruption principles and anti-competitive business practices, as well as conflict of interests prevention.
- MAEDSA does not allow:
 - Pay by check or transfer in the name of a person who is not the provider.
 - Pay a provider that is a legal entity, to the account of a physical person.

Conflict of interests with suppliers

- Areas linked to suppliers, will make acquisitions based on established procedures; rejecting and avoiding receiving gifts or benefits for the transaction made.



RELATIONSHIPS WITH THE GOVERNMENT

In MAEDSA, the relationship with the government may be:

In compliance with applicable standards, laws and regulations.

In interventions in favor of employees.

In coordination of government programs in support of the company, business sector or social development

Report and avoid any illegal act.

The collaborators of MAEDSA or its representatives are not participants and avoid at all times:

- Bribery of government officials: when on behalf of the company, a representative grants an economic benefit or value to some government officials, candidate or political party, with the purpose of obtaining or retaining business opportunities.
- Coercing or pressuring any employee to contribute with support or oppose a group or political candidate or a measurement of voting.
- Make contributions on behalf of the company to political parties



THE ENVIRONMENT

Responsibility towards the environment

In MAEDSA we are committed to caring for the environment, implementing measures that allow us to prevent, minimize and avoid possible environmental impacts of our activity, in addition to ensure compliance with applicable environmental legislation and regulations, we use environmental awareness measures to our employees in order to encourage the protection and care of our natural resources.



RELATIONSHIPS WITH NEIGHBORS

MAEDSA will maintain a permanent link with the community and neighbors, taking care at all times to respect their interests, protect environmental condition issues that surround them and promote social development actions.

Some linking actions are:

- Agreements with educational institutions.
- Security and surveillance actions.
- Health promotion activities.
- Environmental care activities.
- Campaigns to protect the environment (cleaning of green areas, reforestation, recycling, etc.).
- Others linked to sustainability



ANTI-CORRUPTION

MAEDSA has an anticorruption policy, which addresses the following topics:
Bribe:

- Bribery
- Extortion
- Conflict of interest
- Accounting registers
- Appropriate internal controls
- The OECD convention
- Ethical escalation
- Sanctions

In the anti-corruption policy, the following are established:

- In the anti-corruption policy, the following are established
- The mechanism of ethical escalation and the means available to make a complaint
- The sanctions

(See document of anti-corruption policy)



TRANSIENTS

Validity and diffusion

This code is valid as of its publication.

It is a document that can be revised, renewed and complemented annually, in order to address new topics and ethical issues.

This code will be disseminated among all the personnel of MAEDSA on the Human Resources information boards, in addition, it will be available on the web page www.arms.com.mx y en el **Departamento de RH.**



GLOSSARY

Workplace harassment

It is considered work-related harassment when a person is attacked with reason or without reason by one or some of one's co-workers or bosses, disqualifying your skills, work commitment and honesty, in a constant manner, against someone and with intention.

Confidential information

Information that by its content must be for the exclusive use of the administration office and management.

Free information

All information is open without restrictions. Keeping the classification grade will be responsibility of the source and its parties.

Reserved information

Information that, by its characteristics, is handled by the administration office, counselors, management according to the degree of importance of this information. With the purpose of preserving the principle of equality in the development of our activities.



APPENDIX 1

In times of emergency and / or health contingency, it is the commitment of Motores y Aparatos Eléctricos de Durango, SA de CV (MAEDSA), to support our collaborators, as well as keep them informed and provide them with training on the subject. Likewise, promoting an environment free of discrimination towards infected employees or those who have a sick family member, as well as the groups that suffer from the stigma, which are:

- Individuals from the place of origin of the emergency and/ or health contingency
- Healthcare professionals
- People who have had exposure to the illness
- People who developed illness

Therefore, in MAEDSA, campaigns are carried out to avoid or stop stigmatization or discrimination towards the identified groups, such as: social rejection, physical or psychological violence and the refusal to cover their basic needs or medical attention.