



# Code of Ethics

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# Message from our CEO

**Xignux** is a Mexican industrial consortium operating both domestically and internationally, and having strategic alliances with leading companies worldwide. The company began in 1956 with a small electric cable manufacturing plant in Monterrey, Nuevo Leon, Mexico. Today it has plants located in various countries and our products are sold worldwide, covering the electrical, infrastructure and food market segments.

This growth, and the strengthening of the corporate governance that it represents for our company, is sustained by the values that we proudly share in **Xignux**. Those same values are appreciated by our clients, suppliers, partners and the communities in which we work.

These values are also the basis for the confidence that our shareholders place in each of the employees who work for the company.

Upholding the image of **Xignux** is a responsibility that concerns us all, given that the company's philosophy should be manifested in our everyday actions. To support our efforts in complying with this important responsibility that we all share, this Code of Ethics has been prepared so that those of us who work together in **Xignux** can have clear and uniform ideas and criteria for guiding our performance and personal behavior as employees of the company, regardless of our position with the company or our location of work.

I invite you to read and to reflect on the contents of this Code of Ethics, to ask any questions you may have about its contents, and to make it a part of your daily lives.

If we all become familiar with this document and implement its principles, we will make this Code widespread within the company and above all make it a part of our company lifestyle, including the spirit of integrity which stands behind it, and we will be fulfilling the responsibility we have to ourselves, our families, to **Xignux** and its shareholders, and ultimately, to society as a whole.

Cordially,

**Juan Ignacio Garza**

# I. Our Values

This Code of Ethics is based fundamentally on the values that distinguish us at **Xignux**. These values guide and support our daily activities and give rise to this Code, which forms the basis of our behavior within the organization and which will help us carry out our actions in strict adherence to these values.

## Respect for the individual >>

Our organization values the dignity of the individual. We promote an individual's personal and professional development and we appreciate his or her ideas and contributions. Consequently, we promote human dignity at work and we foster the improvement of the quality of life of our employees and their families.

## Integrity >>

We are committed to honesty, consistency and austerity, we speak truthfully and act accordingly, and we safeguard the company's, the community's and our own personal assets.

## Responsibility >>

We take responsibility for our decisions and our actions, insuring that we reliably fulfill our commitments and maintain our trustworthiness with our clients, personnel, financial institutions, suppliers, shareholders, community and the environment.

## Team Spirit >>

We believe that the best possible results are obtained through teamwork, characterized by openness to new ideas, a spirit of service and respect, and the collaborative learning process in an environment of confidence.

# I. Our Values

## Innovation >>

Through innovation, we strive for sustainability, growth and company leadership in the development of new products, services, processes, businesses and markets.

## Client Focus >>

Understanding and surpassing the expectations of our customers, consumers and users is a company priority; our permanence and growth depends on their satisfaction.

Inspired by these values and guided by the culture that characterizes us, **Xignux** will continue its sustainable growth while maintaining the entrepreneurial spirit that has differentiated us over time.

# II. Purpose of this Code

In **Xignux**, we understand that the success of our businesses lies in the trust and confidence of our clients, personnel, financial institutions, suppliers, shareholders and, in general, of all of our stakeholders. To that end, the purpose of this Code of Ethics is to communicate to those who work together with us in **Xignux**, the values and ethical responsibilities that should guide our actions, allowing us to maintain that trust and safeguard the reputation and prestige of **Xignux**.



## III. Scope of this Code

This Code of Ethics is mandatory for all of us who are employed in any of the **Xignux** companies, and constitutes a declaration of basic principles and ethics.

## IV. Ethical Standards

### A) Respect for the individual

- a. In **Xignux**, we respect the dignity of each individual and we recognize his or her freedom and privacy; we reject any form of discrimination, whether based on sex, marital status, religion, race, social status, political affiliation, ethnic and national origin, disability or any other condition protected by law.
- b. We who work in **Xignux** are committed to:
  1. Comply with all applicable laws and regulations, with the principles set forth in this Code of Ethics, and with all internal rules and control procedures that may be established by the company.
  2. Conduct ourselves in an honest, respectful, collaborative and innovative manner.
  3. Abstain from divulging confidential company information, including that related to organizational structure and employees personal data, processes, methods, strategies, plans, projects, and technical and market data.

## IV. Ethical Standards

4. Avoid conducting outside activities that could affect our performance and responsibilities within the company.
  5. Abstain from involving the company when we participate in political activities, making sure to establish clearly that we are acting in a personal capacity.
  6. Conduct ourselves respectfully, always treating our fellow workers and those with whom we relate with dignity.
  7. Avoid any type of labor or sexual harassment.
  8. Properly use systems, e-mails and electronic or telephonic conversations in carrying out our duties at work.
  9. Make effective and efficient use of our working hours.
- c. Those of us who work in **Xignux** have a duty to denounce in good faith any action or omission that constitutes a violation of this Code of Ethics. Therefore, no action that would harass or in any way affect the rights of employment of any person will be permitted for cooperating in any investigation regarding the possible violation of this Code of Ethics.

### **B) Client and supplier relations**

#### a. Client relations

1. Those of us who, as a function of our job are required to attend to clients, are committed to always offering professional, transparent and honest treatment, providing the agreed upon products and services with the highest possible quality and opportunity, while always following the applicable laws and the internal principles of our company.

# IV. Ethical Standards

## B) Client and supplier relations

2. The sales promotion techniques and advertisements we use must be free of false or misleading information regarding the availability, opportunity or quality of the products and services that we offer, as well as the terms of sale.

### b. Supplier relations.

1. In accordance with our values, we will strive at all times to make sure that our list of suppliers is comprised only of those companies that share our organization's ethical values, and that have a solid reputation for fairness and integrity in their business dealings.
2. Those of us who, as a function of our job have the responsibility to negotiate the acquisition of goods and services, must offer as well as demand of our suppliers an honest, professional treatment, while constantly striving to work in the best interests of the company and within the bounds of the law.
3. The procedures for the acquisition of goods and services should be carried out in a transparent manner, assuring the fair and equal participation of suppliers based on objective criteria of quality, solvency, specialization, opportunity, profitability and service, while complying at all times with established internal control procedures.

## C) Government and community relations

- a. Those of us who work in **Xignux** must comply faithfully with all applicable laws and regulations when carrying out our activities.
- b. We must cooperate at all times with the proper authorities, always conducting ourselves in accordance with the law and in legitimate defense of the interests of **Xignux**.



## IV. Ethical Standards

- c. We must act respectfully toward our authorities recognizing their capacity as such.
- d. All dealings, proceedings and relations with government departments or civil employees on behalf of the company must be conducted in accordance with applicable laws.
- e. The social principles and conventions that promote a healthy coexistence with the communities in which we operate should be observed and respected by all those who work in **Xignux**, striving at all times to protect the good name and prestige of the company.

### D) Conflicts of interest

- a. Those of us who work in **Xignux** must abstain from having interests in businesses that purchase, sell or supply products and services to **Xignux** companies, or compete with them, except when previously authorized by the Ethics Committee.
- b. Those of us who work in **Xignux** must abstain from carrying out or influencing to carry out at company expense, any purchasing or selling operations or providing of services with relatives or family members, or with companies belonging to relatives or family members, unless those persons or businesses are competitive in price, quality and service, they are out of our area of interest or responsibility, and the relationship has been previously presented and justified before the Ethics Committee in order to validate compliance with said requirements.

## IV. Ethical Standards

- c. Those of us who work in **Xignux** must abstain from having family members or persons with whom we have a strong personal relationship, working within our business unit and under our direct responsibility, except in cases previously authorized by the Ethics Committee of the particular division.
- d. When **Xignux** personnel are required to engage in the review, supervision, auditing or control of an area under the responsibility of a family member, they must inform their superior in order to be relieved of said responsibility.
- e. When an employee feels compromised in his or her capacity to objectively fulfill his or her responsibilities, due to pressure from a third party who may be using his or her position, authority or influence in the organization, the employee must report it immediately with his or her superior or to the Ethics Committee in their division.
- f. We should avoid interceding to satisfy the requirements of superiors, employees, work associates, family or friends, if in doing so, we may prejudice any **Xignux** companies.

### E) Handling of Information

- a. Altering accounting or financial information and/or records, or falsifying operations and/or transactions results either for simulating the completion of goals or objectives or for obtaining personal benefit is strictly prohibited.
- b. Those persons with access to information which is privileged or classified, or which by its nature has been or should be considered confidential, are obligated to take the necessary measures to maintain its absolute confidentiality and avoid having it divulged or released to unauthorized persons. Upon learning of the loss or leaking of privileged information for whatever reason, it should be reported immediately to one's immediate superiors in the company.

## IV. Ethical Standards

- c. Employees must collaborate in a professional, truthful and objective manner with both internal and external auditors when they are carrying out their assigned duties in the company.
- d. Those who engage in complementary outside activities whether as teachers, conference speakers, students, specialists and/or technicians in professional events, should abstain from using confidential **Xignux** information, and should only use permitted public information.

### F) Gifts and courtesies

It is against **Xignux** policy for employees to receive, at any time, either valuable gifts, advantageous conditions, free travel, commissions or any other form of courtesies from clients, suppliers, financial institutions, contractors, companies or persons with whom they are engaging in company business, with the exception of general purpose institutional items appropriately authorized by the employee's superiors. When doubt exists, the matter should be turned over to the division's Ethics Committee, or to someone designated by the committee, for proper resolution.

### G) Protection of assets

- a. **Xignux** personnel are responsible for the custody, safeguarding and proper use of company assets under their control.
- b. All assets or items that are property of **Xignux** as well as the services available to those who work in the company are to be used in the performance of their job functions and for the benefit of the company. For no reason can such assets or items be used for any other purpose, unless there is a prior authorization to do so by the company.

# IV. Ethical Standards

## H) Environment and ecology

- a. In **Xignux**, we recognize that part of our social responsibility is in protecting our environment. Our commitment is shared by all employees of the company, and nobody in **Xignux** can or should assume that this is a job belonging to someone else.
- b. Those of us who work at **Xignux** should carry out the necessary actions within our respective functions to insure that we respect the environment and the efficient use of natural resources, fuels and energy in the areas in which we work.

## I) Occupational health and safety

In **Xignux**, we believe that the health and safety of our personnel, as well as the preservation of our premises and equipment is the most important aspect of our daily activities.

There is no activity that justifies taking unnecessary risks. We must fulfill our objectives and goals, but always acting in a safe manner. For that reason, we must all work in compliance with the following objectives:

1. Fully respect the safety and health standards established by law, regulations, official and internal company rules.
2. Propose and maintain an adequate work environment.
3. Contribute to developing safety consciousness among company personnel.

## V. Administration

To achieve the effectiveness of this commitment that we are undertaking, and in order that it is evident in every action that we undertake in our daily tasks and operations, we will continue to keep this document updated, accessible and easily understood, and we will strive to make available the means to resolve any doubts and concrete cases that may arise. To that end, we have established the following mechanisms:

### A) Publication and updating

The Ethics Committees of each division will maintain procedures to insure the communication and understanding of the **Xignux** Code of Ethics.

To that effect, all those who are employed with the **Xignux** companies should be aware of the content and scope of this document. Once we receive a copy of this document, we must sign a letter attesting to its receipt.

Daily implementation of this Code constitutes a source for its continuous improvement. Thus, it is necessary that the members of the Ethics Committees of each division collaborate with those who form the **Xignux** Ethics Committee in order to review and update this Code. Likewise, the Ethics Committees will establish feedback mechanisms that will serve the purpose of always keeping this document up-to-date.

### B) Ethics Committees

- a. Each division, as well as the **Xignux** Corporate offices, shall formalize its own Ethics Committee.
- b. The Ethics Committees are collegiate organizations, founded specifically to attend to any matter relating to the Code of Ethics and its application.

## V. Administration

- c. The committees will be comprised of from three to five persons representing the areas of human resources, internal auditing and administration, with the remaining members to be elected based on their professional and personal experience, knowledge, specialized skills, objectivity, honorability and reputation.
- d. For the fulfillment of their responsibilities, each Committee may turn to other areas or persons who will support in the execution of specific tasks.

### C) Certification of compliance

- a. At least once every two years, a document will be edited and distributed among all those who are employed at **Xignux**, in which each employee will indicate in writing that his or her personal performance has been carried out in conformity with the Code of Ethics, as well as indicate any deviations observed in the performance of others, if such a case exists, or for the purpose of raising questions regarding the application of the Code (see Declaration of Compliance Format).
- b. This document will be prepared by the Corporate Internal Auditing department and distributed to the members of the Ethics Committees in each division and to the **Xignux** Ethics Committee.
- c. The Ethics Committees in each division will insure that the document is delivered to each employee through his or her respective human resources departments, that they are collected upon completion of the deadline for submission, and will conclude its obligations upon delivering the documents to internal auditing. The internal auditing department will analyze, resolve, document and issue the respective situational report.
- d. Internal auditing will deliver the situational report to the respective Ethics Committees of each division and to the **Xignux** Ethics Committee for their observations and comments.
- e. The Ethics Committees must observe the strictest confidentiality in the performance of their activities.

# V. Administration

## D) Sanctions

The violations of this Code will be subject to sanctions, which will be applied in accordance with the gravity of said violations, and which could range from warnings to suspension or dismissal, up to filing criminal charges before the applicable authorities.

## E) Reporting of violations

- a. All those who are employed at the **Xignux** companies are required to report any incident that might constitute a deviation from this Code of Ethics, with the understanding that it will be handled confidentially, objectively, and in a documented manner, and that it will be treated with the goal to constantly strive for the strict adherence to our values and to existing laws.
- b. The open communication concerning specific situations or doubts on the part of each employee, without fear of reprisal, is vital in order to live in harmony with the principles set forth in the Code. Those of us who work in **Xignux** have a commitment to assist in such investigations. Information presented relating to reported cases will receive a swift, professional and confidential response.
- c. **Xignux** employees have the following options available for submitting reports:
  - To the immediate supervisor, and/or
  - To the person responsible for the area of internal auditing or human resources in the division in which the party making a report is employed, and/or
  - To the Ethics Committee in the division in which the party making a report is employed or to any of its members, and/or
  - To the **Xignux** Ethics Committee or any of its members.

## V. Administration

These reports can be made through any of the following means:

- In person or by phone.
- In writing, deposited in one of the boxes set up for this purpose.
- Through the Transparency Line of the division.
- Through the **Xignux** Transparency Line using the following Phone number: **01 800 1 700 700**
- Through the Intranet or E-mail address for each division.
- Through the **www.xignux.com** internet site or the E-mail account: **comitedeetica@xignux.com**

Detailed explanations of how to make a report are given on the respective Intranet and Internet pages.

## VI. Summary

Ethics is the set of standards that guide human conduct; consequently, to be ethical is to be an upright person. If all of us in **Xignux** act in an upstanding manner, our organization will therefore be promoting the value of integrity - integrity with our clients, our personnel, financial institutions, suppliers, shareholders, and in general, with all our stakeholders.

In summary, to live ethically is to take the road of upright living and consequence - for us, for our families, for our company and for society. Let us therefore follow this road together by putting into practice the concepts expressed in the **Xignux** Code of Ethics.





# VII. Attachment

## A) Declaration of Compliance Format



### Personal Acknowledgement and Agreement to Adhere to the Xignux Values and Code of Ethics

I hereby acknowledge:

1. I have received a copy of the **Xignux** Code of Ethics.
2. I have reviewed and understand the **Xignux** Code of Ethics.
3. I understand that the **Xignux** Values provide guidance and direction towards (i) fostering a dignified working environment for all employees; (ii) achieving the company's goals; and (iii) sustaining the continued development of the company.
4. I agree to use the **Xignux** Code of Ethics to preserve the relevance of the **Xignux** Values in the daily operations of the company.
5. As of the date of executing this acknowledgement, I am / am not (circle one) aware of any issues that should be reported to the Ethics Committee. If I am aware of any such issues, I have described the issue(s) on a separate sheet of paper, initialed every separate sheet completed by me, and attached the sheet(s) to my acknowledgement.
6. I voluntarily have executed this Acknowledgment.

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Employee's  
Printed Name: \_\_\_\_\_

Position: \_\_\_\_\_

Department: \_\_\_\_\_

Area: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Employee's Signature





Personal Acknowledgement and Agreement  
to Adhere to the Xignux Values and Code of Ethics

I hereby acknowledge:

1. I have received a copy of the **Xignux** Code of Ethics.
2. I have reviewed and understand the **Xignux** Code of Ethics.
3. I understand that the **Xignux** Values provide guidance and direction towards (i) fostering a dignified working environment for all employees; (ii) achieving the company's goals; and (iii) sustaining the continued development of the company.
4. I agree to use the **Xignux** Code of Ethics to preserve the relevance of the **Xignux** Values in the daily operations of the company.
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6. I voluntarily have executed this Acknowledgment.

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Employee's  
Printed Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Department: \_\_\_\_\_  
Area: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Employee's Signature





\_\_\_\_\_, 20\_\_\_\_  
Location Date

**Company:** \_\_\_\_\_

To Whom It May Concern:

This is to certify that I have received the document entitled “**Xignux Code of Ethics**”, which details the ethics standards set out by the company for which I work. I further affirm that I have been given a detailed explanation of the content and scope of this document.

I hereby express my agreement and conformity with the “**Xignux Code of Ethics**” based on the above declarations.

Sincerely,

\_\_\_\_\_

Full name  
Employe number: \_\_\_\_\_





# Code of Ethics

