

Code of Ethics and Conduct

URREA[®]

Tecnología para vivir el agua


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Message from the General Management

Dear Employees and Partners:

Throughout the years URREA, *Tecnología para Vivir el Agua*, has been characterized by its recognized prestige, achieved through our business practices which are based on our corporate philosophy.

In the business world, we have often seen that the credibility of an organization can be weakened in an instant if it is not continuously reinforced. Therefore, we have taken upon us the task of revising and updating our code of ethics and conduct to support and guide our behavior as collaborators and partners of URREA *Tecnología para Vivir el Agua (Technology to Experience Water)*, seeking to ensure and maintain the image and prestige that has characterized everyone who is part of this great company.

We invite you to read and become familiarized with this code.

Thank you very much

Juan Carlos Ramírez Urrea

Raúl Urrea Villaseñor

Introduction

For URREA *Tecnología para Vivir el Agua* it is essential to comply with this Code; to lead our organization based on ethical values, seeking to benefit our stakeholders and our value chain, as well as environmental protection and the sustainable use of resources, above and beyond our legal obligations.

Adhering to our values and the general standards of conduct in our corporate daily practice requires a corporate Code of Ethics and Conduct that will guide us in our personal and professional behavior and performance, and that promotes and offers a guideline to conduct our ethical behavior in accordance with our corporate philosophy.

Therefore, it is important to create a guide, to establish what we expect from our collaborators within an ethical framework for our organization.

Purpose

The purpose of the Code of Ethics and Conduct is to set forth the ethical values that must inspire the behavior of all URREA employees and partners in their interaction with each of the interest groups involved in the operation of our company.

This Code of Ethics and Conduct does not describe all possible situations in which our staff may be involved, but it does establish the basis for achieving our purpose through our performance. Unforeseen situations will be resolved by the Ethics and Conduct Committee.

Scope

This document is applicable to all *URREA Tecnología para Vivir el Agua* staff and partners.



Corporate philosophy

Our Mission

We are dedicated to all the people who enjoy water responsibly.

Our Vision

Urrea 2020, duplicate sales and profits every 5 years.

We are an innovative and sustainable company of leading brands with an international market presence. Our comprehensive service is a clear competitive advantage. We remain close to consumers at all times.

Our Principles

Clients / We satisfy our clients by anticipating their needs, through the innovation of products and services supported by our brands

Employees / We respect their dignity and promote their holistic development.

Community / We contribute to the development of the communities where we are established.

Environment / Our vocation impels us to respect and protect our natural resources

Shareholders / We provide them with fair compensation for entrusting their capital to us.

At URREA, we seek excellence in our results and we establish lasting relationships based on the experience of our values;

Honesty • Integrity • Respect for people

We also follow **four** business practices that support the proper operation of our organization and the conduct of our personnel:

- Passion for quality in service
- Client-centered operation
- Speed
- Maximize profitability

Commitment to stakeholders

// Employees

Quality of working life

-At URREA, we are committed to our personnel with respect to all legal, safety and health benefits, promoting our staff's satisfaction, corporate competitiveness and an excellent working life quality; fostering a healthy working environment, developing collaboration and teamwork.

Staff inclusion

-We guarantee non-discrimination through an inclusive process without distinction, based on social condition, race, religion, political preferences, sexual orientation or belonging to a vulnerable group.

Staff Responsibilities

-We expect all personnel to: live by and understand our corporate mission, vision, values, business practices, maintain a proactive and constructive attitude in carrying out their tasks, dedicate their talent and effort exclusively to the corporation, avoid and report any form of discrimination against any employee and avoid harming the work environment through harassment, violence and infringements to this Code of Ethics and Conduct.

Leadership

-We prioritize the results of the organization, by ensuring all departments support each other to promote teamwork and achieve objectives, avoiding long and inefficient internal processes.

-We communicate in a timely and responsible manner

-We avoid unfounded value judgments; provide constructive feedback and recognize productive and efficient actions.

-We preach through example and adhere to a corporate culture that strives to achieve goals.

Respect for individuality

At URREA, we recognize the value of human capital. Therefore, we seek to ensure that every employee's human dignity is respected, and to create a corporate environment where they can find a suitable workplace for their professional and personal development.

Our commitments regarding respect are:

- To recognize and respect the individuality of each person.
- To encourage the participation and contribution of each individual to achieve the corporate objectives.
- To respect the diversity of ideas and opinions, recognizing the close relationship between a person's actions and being.

We expect all of our staff to conduct themselves with respect for diversity and to promote social inclusion, avoiding any type of discrimination due to gender, race, religion, sexual orientation, political preference or disability.

All URREA employees, particularly managers and staff working in personnel management, shall act with justice, fairness and respect, protecting the common interest of our collaborators and safeguarding the interests of the corporation.

URREA strongly condemns all labor exploitation and child labor.

Trust is the fundamental axis of excellent work environments, and is generated through the managers' credibility and the respect with which employees feel they are treated, and the fairness with which they expect to be treated. Therefore, all personnel is required to:

- Achieve their objectives as established in conjunction with the company
- Make their best effort.
- Encourage teamwork within an environment of trust

Clarity and responsibility of duties

At URREA, we recognize the importance of sharing information in order to fulfill our duties. The following points are considered essential:

- Establish the appropriate procedures and systems for the duties to be carried out, in such a way that they always favor an environment of trust and respect for the professional development of each person.
- Regardless of the level of responsibility in our duties, we are committed to respect the dignity of individuals and promote their growth; this means carrying out our duties in a professional manner, assuming our responsibilities and acting to the benefit of the corporation's goals.
- All URREA employees shall report all information created through our work, in an honest, safe and timely manner.
- Positive work practices and behaviors shall be encouraged among all employees, promoting reasonable goals and follow-up of such goal until their successful completion.
- Ensure that individual tasks are carried out in harmony and within an optimal and respectful work environment.

// Labor Unions

At URREA we are committed to supporting and respecting each employee's right to freedom of association, as well as the independence of unions.

We recognize that unions represent the legitimate interests of our employees. Therefore, the goal of our relationship with Unions is to collaborate for our mutual benefit.

// Shareholders

URREA managers and employees shall produce and distribute, in a timely and correct manner, all the necessary information about corporate operations, in order to ensure our shareholders' decision-making process is based on consistent, homogeneous and confirmed information.

Our commitment upon receiving our shareholders' trust and capital is to protect and optimize the value of their investment, through the prudent and profitable use of said resources, observing the highest standards of ethical conduct in all our business practices and operations.

Transparency and accountability are the pillars on which we base the relationship with our shareholders.

// Customers and Distributors

Customer relationships. (Final users)

At URREA, we are strongly committed to maintaining the highest quality standards in producing comprehensive hydraulic solutions to achieve our mission: "The responsible use and enjoyment of water".

Developing long-term relationships based on "win-win" structures with our business partners and customers, and operating with honesty and integrity. Our main interest is to guarantee the full satisfaction of our clients and to maintain their loyalty through the continuous improvement of our products; with the commitment to:

- Provide accurate and truthful information, abstaining from issuing misleading messages and corporate statements, which may omit important facts or make false statements.
- Protect the information that our business partners and clients entrust to us.
- Reject businesses that may damage URREA's image, and/or businesses that intentionally break the law.
- Refuse to pay contributions, commissions or any other amount which could be considered bribery.

Relationship with distributors.

At URREA, we support the growth and development of our distributors:

- 1) Recognizing them as strategic partners
- 2) Through our high quality products and service, we fulfill our commitment to provide them with the best business opportunities and contribute to their business success.
- 3) We act always in accordance with the highest standards of ethics and integrity.
- 4) Respect for our distributors implies confidentiality in the management of their information and absolute respect for their privacy.
- 5) Any employee or partner who conducts business practices other than as established by Urrea will be violating the principles of this Code, in which case Urrea may terminate any existing employment or business relationship with such employee or partner.

Suppliers and Government

At URREA we seek to ensure that our negotiations with our suppliers are always handled with transparency and integrity, ensuring equal opportunity, respect and honesty. To this end:

- We afford the highest value to fair competition when assessing our suppliers in order to select the best. We are consistent in our commitment to build lasting, equitable, fair, non-discriminatory business relationships.
- We are also committed to protecting the rights of our suppliers, respecting the confidentiality of the information they provide to us.
- Likewise, when negotiating with a supplier, whether such supplier also does business with a competitor or not, we will demand the enforcement of our confidentiality rights with respect to our information.
- At URREA, we seek a Client/Supplier relationship where the supplier shall provide us only with the benefits corresponding to the negotiation in question, and no other personal advantages in exchange for awarding contracts, or the acquisition of goods and/or Services.
- We strive for our relationship with suppliers to be always based on win-win principles.
- URREA employees are not allowed to give/receive money or gifts to customers, suppliers or any other related person which could be seen as creating an advantage to establish, increase, or maintain a business relationship or to receive undue benefits of any kind.
- All gifts from customers, suppliers or otherwise, addressed to the name of a collaborator and received at the corporate address or the employee's personal address shall be turned

over to the human development supervisor and will be used for the benefit of the company as determined by the Ethics and Culture Committee (except for pens, agendas, perishables and office materials of a lesser value).

- Invitations for breakfast, lunch, or dinner may only be accepted if matters related to the corporation will be discussed at such events, and only in restaurants and establishments of recognized good repute.
- Travel invitations are allowed only for business purposes (e.g. fairs, exhibits). All cases require the authorization of the Division Coordinator (Manager/Director).
- Discounts by suppliers of goods and services for personal purchases will be acceptable only if they are made available to all employees and will be notified through the corporate media. (E-mail, boards, *Buenos Días URREA* Newsletter, Intranet)
- Transactions with organizations that employ spouses, direct/indirect family members of URREA employees or former employees are subject to approval by the department involved.
- Any attempt by a provider to improperly influence a purchasing decision must be reported immediately to the supervisor in order to determine, jointly with the Division Coordinator (manager and Director), whether or not to continue the business relationship between URREA and such supplier.
- All employees shall ensure that suppliers and vendors know our Code of Ethics and Conduct and that any and all contracts or agreements set forth our commitment to our relationship and external responsibilities.
- We base all purchasing decisions on URREA's interests, therefore selecting vendors that are recognized for their ethical performance within the market and that provide suitable products or services at a reasonable price under the quality provisions stipulated by Urrea.

Community

Corporate Responsibility

URREA recognizes the importance of all communities where we operate our business. We are committed to support such communities through our daily work and conduct in favor of their harmonious development and well-being, and therefore:

- We shall ensure that our actions promote caring for the environment and nature, as well as the strengthening the URREA corporate values, which are family unity, the physical and emotional integrity of people, respect for the rights of children, people with disabilities, the elderly or individuals belonging to any ethnic group and/or social condition.
- URREA and all its members are committed to preserve the environment. Environmental protection is of the highest priority in all our activities, both public and private. Our commitment extends to supporting projects that promote the conservation and restoration of the environment beyond URREA's corporate facilities.

Competitors

URREA's employees assume the commitment to compete in the market in a vigorous and objective manner based on the merits, advantages and quality of our products, and on loyal trade practices, therefore:

- All promotional activity must be based on the truth, and must be set forth clearly to customers and distributors. We compete through quality, service, commercial and financial strategies, according to our principles and values.
- Assertiveness in competition is understood as the channeling of our energy to provide the best products and services, and to gain the preference of our distributors and customers.
- We understand that our entrepreneurial vocation shall encourage us to serve our customers and distributors better than anyone else and that, as a result, we will gain their trust and preference.
- We respect our competitors and whenever we refer to the sector or any competitor in particular, we will use facts-based information. Any comparison with the competition will be made using exact terms, without criticism and without using misleading information or arguments.

Business operations and activities

// Current regulations and standards compliance

All activities carried out by URREA employees, regardless of their nature and scope, will preserve, in full, the letter and purpose of current laws in all places where URREA operates.

- At URREA we are committed to full and complete compliance of all existing laws and regulations.
- URREA is committed to complying, in a timely and honest manner, with the payment of all corresponding taxes.
- We do not make or tolerate illegal payments to any kind of authority and we refrain from participating in any type of activity that can be understood, tacitly or expressly, as corruption or bribery.

Respect for local customs and laws.

- If at any time, a law deeply affects our principles and values, URREA will appeal to the competent authority to express our disagreement, and thus seek to be an agent of change.
- URREA employees shall respect and participate in customs that are consistent with our corporate principles and values. In no way shall we participate, but rather we shall discourage, any business and cultural practices that are contrary to our corporate values.
- The URREA Code of Ethics and Conduct will prevail over the customs and practices of local businesses in the event of any conflict.

// Asset and expense protection

- All employees must ensure that they make only necessary expenses and do not incur in costly practices.
- We seek to maximize resources, in addition to promoting financial savings at all times in our operations, activities and business methods, encouraging a message of austerity and frugality in order to avoid unnecessary expenses that can impact our customers' finances.
- By corporate assets, we understand not only URREA buildings, vehicles, machinery, or furniture, but also its systems, data base, technology, research and development as well as business strategies.

- URREA employees are responsible for caring for and preserving all corporate assets under their control, and in no case shall they participate, influence or allow situations or actions that are linked to the theft, misuse, loan, disposal or sale of corporate assets, in an unauthorized manner.
- All employees shall safeguard URREA asset. Particularly, employees are committed to the protection of information systems and marketing schemes, including the corporation's and its personnel's financial information.
- URREA employees shall inform their supervisors about situations that could lead to the loss or misuse of assets.
- Employees shall operate the facilities and equipment in an efficient manner as established by each corporate division. In addition to keeping such assets in good condition and following the maintenance programs to ensure continuity in all operations, to prevent accidents and to increase the assets' useful life.

// Environmental and social responsibility

We encourage the development and implementation of improvements to our processes in order to minimize their environmental impact. We dedicate our efforts to the optimal and rational use of natural resources in performing our activities.

Our commitment as URREA employees is to maintain all environmental certifications under which we operate and obtain new and better certifications as an example of our environmental commitment to the community.

URREA promotes a socially responsible conduct among its employees, suppliers and distributors, and to this end, we carry out inspections of the working, social and environmental conditions of each supplier and distributor to determine the level of any risk in our relations with each one of them.

If inadequate and unsafe labor and/or environmental practices are detected, our business relationship with non-compliant supplier or distributors may be terminated.

// Anti-corruption

URREA employees shall comply with all laws and regulations in order to carry out their activities in a legal manner. Among said laws and regulations, those against bribery and corruption among private companies and government entities are deemed especially important.

Urrea condemns bribery and corruption in all commercial relations established in Mexico and abroad, and this applies to all transactions conducted by Urrea whether with a private entity or a public official. Particularly strict prohibitions shall apply to any attempt to illegally

influence public officials, including employees of public or state-controlled entities engaged in ordinary business activities.

- URREA condemns the actions employees and intermediaries who perform, offer and accept bribes/payments as well as anything of value in order to wrongfully obtain or maintain contracts, businesses, government approvals, favorable tariff regulations, and any other business advantage, with no entity or person. Bribes, illegal commissions or any other illegal and unethical payments/advantages are prohibited, even if they are a common practice for others.

In practice, employees shall study and understand the following points:

- Value of the payment. "Anything of Value" includes a wide variety of items. Some common examples are cash, gifts, meals, entertainment, shares, personal property, assumption of or debt forgiveness, charitable donations, and services.

- Charitable contributions. URREA makes periodic and generous contributions to qualified organizations, within its program of contributions to organizations. However, risk arises when contributions are made to a charitable organization by the direct request, suggestion or recommendation of a government official or commercial partner. Making a payment to such an entity may be considered an indirect bribe made to "unduly obtain or maintain contracts, businesses, government approvals, tariffs or other favorable tax regulations in addition any other improper business advantage".

Consequences

Violations to this Code of Ethics and Conduct with respect to laws and regulations against bribery and corruption may lead to serious civil and/or criminal penalties, both for URREA and all persons involved.

It is important to always act in such a way as to avoid any potential infringement of these restrictions.

Non-compliance may entail disciplinary action by company, including termination of the employment relationship.

// Money-laundering prevention

Our employees, suppliers, customers and distributors are expected to comply with applicable laws prohibiting money laundering as well as those requiring cash flows and other unusual operations to be reported.

// Conflicts of interest

URREA employees are expected to work for the benefit of the company and its employees and partners, and our decisions shall not be influenced by any factor favoring other interests.

In order to avoid such conflicts between personal interest and URREA interests and to facilitate a solution if required, employees shall declare any financial or non-financial interest that may conflict with their duties within the company.

If an employee considers that there are personal interests that can influence his/her performance at work, said conflict shall be notified in writing to his/her immediate supervisor.

Employees are expected to dedicate their talent and effort to the company and provide loyalty to the Company, and therefore the following shall be observed:

- Employees shall abstain from taking advantage of their position in the company to obtain personal benefit or to benefit members of their family and/or third parties
- All URREA employees and their families shall refuse gifts, services, discounts, travel or entertainment provided by URREA distributors or suppliers who seek advantages in a negotiation.
- Invitations to meals and/or special attention that may seek to influence a decision in a positive or negative way shall be turned down.
- Employees may not use equipment, materials or resources owned by URREA for any type of activity that is not related to their work activities.
- No employee may have a financial interest in, or any other kind of business with, any competitor or supplier.
- URREA employees may not establish businesses engaged in marketing and distributing our products.
- In order to avoid a conflict of interest, direct relatives of an URREA employee cannot be employed by the Company.
- A conflict of interest shall arise if an employee has sexual relations within the URREA facilities.
- A conflict of interest shall arise in any relationship between two employees:
 - if one of the two is married
 - if it is a relationship between an employee and his/her supervisor
- A conflict of interest shall exist when a sexual harassment complaint is filed and verified.
- Any kind of disrespect or indecency towards any person is considered equally serious.
- Any person who uses or sells narcotics/drugs within the URREA facilities shall incur in a conflict of interest, leading to termination of the employment relationship, in addition to a complaint to the authorities.
- Sexual harassment cases will be investigated and will be reported to the Ethics and Conduct Committee

In the event of a real or potential conflict of interest, employees must face the situation ethically and in accordance with this Code, and shall be subject to the decisions taken by the Ethics and Conduct Committee.

// Management of the Code of Ethics

Our Code of Ethics and Conduct is applicable to the entire organization and it is the duty of all URREA employees to comply with it and enforce it. To this end, a committee has been named to serve as a communication channel and resolve on any doubts regarding the application of the code.

The Committee is presided by the General Management.

// Complaint system

All employees must ensure that our partners and colleagues act according to the corporate ideology set forth in our Code of Ethics and Conduct. Failure to comply with what is stipulated herein shall be considered a serious misconduct and the person involved may be subject to disciplinary action.

The Ethics and Conduct Committee's purpose is to enforce the obligations and commitments assumed as URREA employees and shall establish the different mechanisms through which the Code shall be enforced.

- URREA employees shall report any case that could constitute an infringement of our Code.
- Said report will be anonymous and confidential.
- Reports can be made through:
 - Tel. num.: 01 800 903 9030
 - E-mail: urreatescucha@tipsanonimos.com
 - Webpage: <https://www.tipsanonimos.com/urreatescucha>
 - Zip code: CON-080,06401 in Mexico D.F (*Distrito Federal*)
 - Fax: (55) 5255 1322
 - Complaints and reports will be received by the Ethics and Conduct Committee
- All complaints must meet the following requirements:
 - A) Description of complaint.
 - B) Date/Place
 - C) Parties involved.
 - D) Parties affected.
- For the purposes of the investigation, any report shall be considered with respect to an alleged complaint until the process is finalized.

// Penalties for non-compliance

Violations of this Code shall be subject to penalties, which shall apply depending on the severity of the fault, and may range from a reprimand, suspension and dismissal, to the filing of a criminal complaint before the competent authorities.

Any employee who suspects or knows of any infringement of this Code shall notify the Ethics and Conduct Committee through the aforementioned means.

The Committee, after a thorough investigation, shall propose the corresponding penalty for said infringement.

Contact

If you have any question regarding this Code, please contact:

Human Development Management (Ext. 3215)

General Management (Ext. 3204)



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LAS MEJORES
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