

CODE OF ETHICS

and conduct for Suppliers and
Service Providers

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Forging
a group
with
values
Deacero

Objective

To provide to all of our Suppliers and Service Providers the ethical conducts and guidelines that will govern our commercial relationship and all of the activities that arise from it.

Scope

Without any exception, all of our suppliers, contractors, consultants, intermediaries and legal entities that provide goods and/or services in a direct or indirect way, as well as the collaborators and representatives of Deacero are compelled to comply with the conduct and ethical principles contained in the herein document.

Mandatory

All of the staff and personnel of Deacero that has a direct or indirect relationship with suppliers or service providers have the responsibility to abide to the guidelines of this code.

The supplier compels to deliver the documentation that Deacero requires for the compliance of procedures, contracts, rules, standards, etc.; making sure that indeed what it delivers corresponds to the request made by Deacero.

Any delivery of erroneous or false information will be considered a violation to this code and may be a cause for commercial termination with Deacero.

Duration

Given its importance, this code of ethics and conduct is of mandatory nature and its duration is indefinite, even after the commercial relationship is finalized.

Applicable Legislation

In all of the activities carried out, the laws, regulations and all governmental dispositions, whether national, state and/or local of each one of the countries where Deacero maintains commercial operations must be strictly and comprehensively complied.

A) Outsourcing: all of the Mexican providers undertake to register in the applicable governmental agencies, in this case REPSE, to provide the documentation for fiscal effects and to comply within its organization any change or adjustment in the legislation (federal and state) and the labor regulations.

B) Electronic receipt of payment: All of the Mexican providers have the obligation to issue and deliver the electronic receipt of payment (REP) complying with the fiscal requirements in the form and structure established by the SAT for each payment that they receive on behalf of Deacero in the dates in which the authority determines. In this document you must list the CFDI or CFDIs that have been paid to the supplier. In the event that there is a pending REP, it authorizes Deacero to withhold the payments until it is regularized.

C) Materialization of the operations: All of the Mexican suppliers undertake to fully comply with their fiscal obligations and must provide the documentation that they consider necessary to the tax authority for those operations that they had with any taxpayer that has been included in the list that is published in the Official Journal of the Federation and on the Internet website of the Tax Service Administration, of those taxpayers whose operations contained in its fiscal invoices issued do not produce or produced any fiscal effect.

Likewise, if a supplier of Deacero is included in such list, Deacero will report to the tax authority about the goods and/or services received that cover the tax receipts and will proceed to report any additional information that is requested by the fiscal authority related to the case.

Any omission constitutes a breach that jeopardizes the operation, the human, financial resources and could be subject to sanctions (including legal and criminal) to whoever fails to comply.

Deacero may file a complaint to the authority at the moment it considers pertinent, any act that goes against the herein code.

Quality in the Products and Services

The suppliers and service providers of Deacero must undertake that they will deliver products and services offered in the price and quality promised offered at the promised price and quality, as well as to comply with the safety, innocuousness and quality standards required by the applicable law and the standards required by Deacero. A lack of truth or an interpretation of dishonesty may damage the reputation of the supplier and/or service provider.

Labor Conditions

In order to contribute and have positive working relationships, the suppliers and service providers must abide to the following codes of conduct.

A) No discrimination: In Deacero every collaborator, client or supplier is treated with equality and dignity, respecting its rights, recognizing and valuing their differences, without giving any inferior treatment of inferiority to any person by reasons or ethnicity, age, gender, nationality, language, disability, religion, political affiliation, legal status, sexual preference or social condition. The supplier must guarantee that it does not practice or encourages any type of discrimination.

B) No harassment: It is understood by harassment, any action or conduct that an individual or group of individuals considers inadequate, humiliating, intimidating or hostile. Deacero will not allow harassment to its collaborators, clients or suppliers, or any type of verbal or physical abuse. All of the persons that collaborate in or with Deacero have the commitment and obligation to ensure that their actions do not generate harassment situations against other collaborators, clients, suppliers or other persons that they relate to in the performance of their work.

C) Sexual harassment: It is a commitment of the companies that Deacero and its suppliers offer a place of work free of any type of sexual harassment, therefore it is strictly prohibited to generate, encourage, pretend, insinuate actions or comments that have sexual content and that are offensive, humiliating or intimidating to any person who listens or whom they are directed.

D) Voluntary work: The supplier must not allow volunteer labor to minors under 16 years of age, unless for exceptions of national laws applicable. Neither shall it allow the forced labor demanded to employees by threat.

Environmental Responsibility

Deacero is committed to carrying out its business activities in a responsible and sustainable way with the environment.

As a supplier, you must comply with the current regulations and applicable in the environmental matters, or that which Deacero has established or established in the future during the commercial relationship, in the same way it must ensure that its employees comply with the established provisions and report any practice that goes against the environmental preservation.

Security and Health

For Deacero, the safety and health of its personnel and its suppliers are the most important for the daily operation of the company.

In all of our operations there is no activity that justifies taking risks that compromise the safety of our collaborators and suppliers.

The suppliers of Deacero are committed with this responsibility and guarantee that their staff will strictly follow with the safety policies of the plants or work facilities of Deacero.

Prevention of Corruption

It is prohibited that the suppliers and service providers:

- Bribe collaborators of Deacero or incur in acts of corruption (including the management of authorizations, permits and concessions for carrying out projects or events, or in evaluation, inspection or accountability activities of any type).
- Bribe or intent to bribe any authority or third party on behalf of Deacero. Likewise, it is prohibited that they deliver any type of economical compensation, tips, gifts, memberships, etc. to obtain and undue advantage, a favorable decision or the evasion of compliance of any legal, administrative or judicial disposition.

The participation by the suppliers in acts of bribery or corruption will result as a consequence the termination of the commercial relationship with Deacero. Likewise, the competent authorities will be notified, requesting that the legal consequences implications that proceed be applied.

The suppliers and service providers that know, suspect or are victims of acts of bribery or corruption by a collaborator of Deacero must report it immediately through the anonymous reporting channels established for this purpose.

Gifts and Entertainment

- In accordance to our policies, it is prohibited to the collaborators, suppliers and service providers of Deacero to offer, provide hospitality, special treatment or gifts, discounts, bonuses, gratifications, meals, merchandise, trips, cash gifts, etc.
- It is also forbidden that the collaborators of Deacero accept invitations to shows, concerts, theater tickets, sports events, as well as courtesies or compensations of any kind.
- In the event of invitations for commercial purposes such as presentations, courses, conferences, the expenses that these generate must be covered by Deacero as it may correspond abiding to the code of ethics of Deacero. In case of business lunches only invitations to lunch that do not compromise the commercial relationship will be allowed.

- It is not prohibited by this Code the delivery by the suppliers of promotional merchandise that they give to the public in general, such as: pens, calendars, agendas, desk articles, etc.

Confidential Information

Deacero in its capacity as supplier, all of the information that it receives verbally, written or graphically upon the beginning of the commercial relationship and the one received or obtained in the future, will be considered as confidential information and its use, transmission, revelation or partial or total disclosure to third parties is expressly prohibited.

This includes the data information of the collaborators, clients, suppliers, consultants and any other person that is found in the database of Deacero.

This obligation of confidentiality is extensive for the entire own or subcontracted personnel of the supplier or the service provider.

Intellectual Property

- The suppliers and service providers must respect the legitimate intellectual and industrial property rights of Deacero and must abstain of using them in a non-authorized way.
- Any logo, trademark, slogan, registered patent and designs created and related to Deacero, are intellectual property belonging to Deacero, therefore, the providers must abstain of any conduct that may constitute: misappropriation, modification or falsification.
- In case of requiring to use them as a part of the business relationship, it must be authorized by a legal representative of Deacero.

Protection and Use of the Assets

- The assets property of Deacero or the ones leased by it, whether being tangible (movable property, real estate, machinery, equipment, vehicles, etc.) or intangible (trademarks, patents, logos, concessions, etc.), may be used by authorized third parties, only to carry out the operations of Deacero and not for its own personal use or of the company.
- In addition, they must comply with other policies related with the protection of information and data privacy.

Conflicts of Interest

The suppliers and service providers must avoid being involved in situations that might generate a conflict of interests with Deacero. A conflict of interests exists when the suppliers and service providers carry out any of the following actions:

- Carry out operations with customers, competitors, suppliers or collaborators of Deacero, with the purpose of obtaining a personal benefit, for a family member or for third parties thus damaging the interests of Deacero.
- Are at the same times collaborators of Deacero and partners or owners of the supplier company or are family members (direct or indirect), without having written authorization of the General Direction.
- Grant economic or in-kind loans to collaborators of Deacero.
- Are former employees of Deacero and provide goods or services without written authorization from the General Direction.

Any supplier who discovers conflict of interests situation or a potential conflict of interests, must report it to Deacero through the following channels:

Toll free 800 Number:

01800 433 8477 (TIPS)

Web Site:

<https://www.tipsanonimos.com/TipsGrupoDeacero>

E-mail:

TipsGrupoDeacero@tipsanonimos.com

Violations to this Code

Violations to this Code of Ethics and Conduct are considered:

- Failure to comply with its principles or obligations
- To request our collaborators not to comply with them
- Failure to report observed violations
- Failure to cooperate or obstruct investigations

In the event of identifying any infraction or violation, Deacero may take the legal or contractual measures that it considers necessary, even without any responsibility, the early termination of the supply or provision of services contracted.

Letter of Commitment

_____, supplier or service provider of Deacero S.A.P.I. de C.V.¹, or any of its companies, holding company, affiliates or subsidiaries (“Deacero”), we herein state that we have received, read, understood and accepted without any condition or limitation, the principles established in the Institutional Philosophy and the rules of conduct contained in the CODE OF ETHICS FOR SUPPLIERS, therefore we commit to conduct our actions in accordance with such Code in order to preserve the trust that Deacero has placed in us.

Likewise, our personnel who provides services in it’s premises or interacts with your personnel we will make them aware of the present Code for their full and precise compliance.

Equally, we undertake that, in the event of any report, complaint or doubts about it’s application, we will request support from our direct contact or from any of the resources enlisted below:

- Toll free 800 Number: 01800 433 8477 (TIPS)
- Website: <https://www.tipsanonimos.com/TipsGrupoDeacero>
- E-mail: TipsGrupoDeacero@tipsanonimos.com

We confirm that we have consulted professionals and/or personnel with knowledge of the matter to understand the scope of this CODE OF ETHICS FOR SUPPLIERS and this letter. I understand that signing this Letter of Commitment does not constitute and should not be construed as a business contract, nor does it guarantee the continuation of our business relationship with Deacero.

Having read this Letter of Commitment and understood its content and scope, it is signed on the day ___ of the month _____ of the year _____.

Full name:

Job position:

Deacero: Is defined as Deacero, S.A.P.I. of C.V. as well as all companies, holding company, subsidiaries, affiliates, or related companies in which it has any percentage of shareholding, directly or indirectly, including co-investments.

¹ Deacero reserves the right to validate, at any time, the veracity of the information contained in this document, as well as the position of the person who is signing it.

