



## ETHICS CODE

### I. OBJECTIVE

To establish the ethical guidelines under which **Delphy Bombas y Equipos, S.A. de C.V.** and all the parties interested in maintaining a relationship with the organization, are governed.

### II. SCOPE

This Code applies to employees, shareholders, suppliers, customers, government agencies and the community in general, who have an interest in maintaining a commercial, social or legal relationship with **Delphy Bombas y Equipos, S.A. de C.V.**

It also applies to all parties interested in maintaining some kind of relationship with employees, shareholders, suppliers, customers, government agencies and the community in general.

It includes ethical rules and behaviors, the interested parties engagement, how to report deviations from the Code, how to proceed with a complaint, and the sanctions to be applied in the event of a violation.

This Code is based on, subscribes to and supplemented by International Codes, Laws and Norms such as the ETI Code (Ethical Trading Initiative), ILO (International Labor Organization), the FCPA (Foreign Corrupt Practices Act) and the UKBA (United Kingdom Bribery Act) as well as with the Local Laws where this Code is applied.

### III. COMMITMENT

All parties interested in maintaining a relationship with **Delphy Bombas y Equipos, S.A. de C.V.** must establish their commitment to this Code and also generate the commitment with their interested parties.

All employees, shareholders and major suppliers of **Delphy Bombas y Equipos, S.A. de C.V.** must sign their commitment on each page of the code.

All interested parties may access this Code.

This Code is of a general nature so it is not necessary for all parties to sign it to decide if any sanction will be applied and / or a relationship will be maintained with them in case of a violation.

### IV. RULES AND BEHAVIORS

#### 1. Employment is freely chosen

- 1.1. There is no forced, bonded or involuntary prison labour.
- 1.2. Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

#### 2. Freedom of association and the right to collective bargaining are respected

#### 3. Working conditions are safe and hygienic

- 3.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by

minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.

- 3.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 3.3. Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.

**4. Child labour shall not be used**

**5. Living wages are paid**

- 5.1. Wages and benefits paid for a standard working period meet, at a minimum, local legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 5.2. All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

**6. Working hours are not excessive**

- 6.1. Working hours must comply with local laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. Sub-clauses 6.2 to 6.6 are based on international labour standards.
- 6.2. Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.
- 6.3. All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4. The total hours worked in any seven day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5. Working hours may exceed 60 hours in any seven day period only in exceptional circumstances where all of the following are met:
  - this is allowed by local law;
  - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
  - appropriate safeguards are taken to protect the workers' health and safety; and
  - the employer can demonstrate that exceptional circumstances apply such as
  - unexpected production peaks, accidents or emergencies.

6.6. Workers shall be provided with at least one day off in every seven day period or, where allowed by national law, two days off in every 14 day period.

**7. No discrimination is practised**

7.1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, social or economic class, pregnancy, language, origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

**8. Regular employment is provided**

8.1. To every extent possible work performed must be on the basis of recognised employment relationship established through local law and practice.

8.2. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub- contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

**9. No harsh or inhumane treatment is allowed**

9.1. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

**10. Fair treatment, loyal, respectful, diligent and honest behavior shall prevail.**

10.1. Ensure that interested parties participation is equitable and the conditions are based on impartial selections based on defined criteria.

10.2. Comments and judgments will be avoided to the detriment of interested parties.

10.3. Avoid developing any external activity that may affect the ability to meet the commitments.

10.4. Unjust and unfaithful reporting will be avoided against an innocent person.

**11. Confidentiality**

11.1. All business, commercial, financial and personal information of interested parties will be treated as confidential, will be used solely for the intended purposes and will not be disclosed to third parties.

**12. License and trademark contracts shall be respected**

**13. Tangible and intangible third party assets will be protected and preserved, as well as their efficient use for the purpose they are intended.**

13.1. The name or resources of third parties will not be used for our own benefit.

**14. The environment will be preserved and resource optimization promoted.**

**15. Fair competition and corruption**

15.1. We will not engage in any activity with the intention of restricting trade or refusing to do business with customers, members or suppliers who share ethical values.

15.2. Fair and transparent business practices will be observed and will avoid practices of bribery, corruption, embezzlement and extortion (including the promise, offer, delivery or acceptance of bribes)

15.3. Any object of value that seeks to achieve an improper purpose and with the intention of inducing a person to misuse his position will not be accepted, offered and / or received directly or indirectly.

15.4. All existing money laundering laws will be complied with.

**16. It will be an obligation to inform deviations to the Code of Ethics.**

**17. We will never proceed to dismiss, degrade, suspend, threaten, harass, interfere with the right of employment, or otherwise discriminate against any person for providing information, assisting in providing information or collaborating in an investigation where a breach of the Code of Ethics is presumed.**

**V. COMPLAINTS**

Any deviation from the Code of Ethics must be reported online to the website [www.delphy.com.mx/codigo-de-etica](http://www.delphy.com.mx/codigo-de-etica) in the “Denuncia” section.

Attach as much evidence as possible. If the complaint is to be made anonymously, leave the personal identification fields blank.

**Delphy Bombas y Equipos, S.A. de C.V.**, is committed to carrying out the corresponding investigation through our Ethics Committee, who will determine the corrective actions and / or relevant sanctions.

**VI. SANCTIONS**

Interested parties who violate the Code of Ethics are subject to disciplinary action or in case of violation of the law, may be submitted as applicable to both criminal (fines or jail sentences) and civil actions (damages or fines).

The disciplinary actions will vary according to the severity of the violation, and may reach the definitive termination of any commercial or social relationship and in the specific case of the employees of **Delphy Bombas y Equipos, S.A. de C.V.**, the automatic and immediate dismissal without notice or liquidation.

I declare that I have reviewed and understand the Ethics Policy of **Delphy Bombas y Equipos, S.A. de C.V.** and I agree to abide by the principles set forth therein.

If I am not employed by **Delphy Bombas y Equipos, S.A. de C.V.**, I have sufficient authority to commit the Company I represent to be governed by said principles and ensure that it is carried out in accordance with the scope thereof.

Company:	
Signature:	
Name:	
Position:	
Date:	